





# New King Starts to Learn the Ruler's Art

In Central Java, Royal Responsibilities Now Preoccupy a Would-Be Painter

By Barbara Crossette

New York Times Service

**SURAKARTA, Indonesia**—As a youth he was a rebel. All he wanted from life was the freedom to paint abstract and surrealist art. But Sujiwo Kusumo was dealt another fate: On his shoulders fell a Javanese kingship.

In January, at 37, Mr. Sujiwo became Kanjeng Gusti Pangeran Aryo Mangkunegoro, the ninth ruler from a royal family whose imperial history is intricately woven into the animist-Hindu-Buddhist-Islamic culture of central Java.

How he handles a new era of kingship in Java, where the majority of Indonesians live and whose culture dominates the national government, is being closely watched in this old city, which is more commonly known as Solo.

His Highness Mangkunegoro, who inherited the title at the death of his father, Mangkunegoro VIII, has already faced a rival claim to the throne from an uncle. A modern man, the young ruler agreed to drop the IX from his title as a compromise and keep, as he describes it, a "low profile."

He greets a visitor to his 18th-century teakwood palace wearing jeans and a cream-colored sports coat. He dislikes ceremony.

But the responsibility of his heritage weighs heavily on him. Though he knows the palace compound and family agricultural lands need more modern management, the elaborate court ritual of Java will remain, he says. There will still be court dancing and the playing of a Javanese gong orchestra every Wednesday.

"The people don't want to lose this," he said. "It has been here a long, long time."

The king has no political power. The Republic of Indonesia stripped all its royal families of that in 1946. But to the sophisticated society of Central Java, layered since the first and second

centuries A.D. with accretions of mythology, that did not make too much difference.

"It is difficult for us, being Javanese, to ignore our mystical way of thinking," said Bakdi Soemanto, a scholar at the Center for Cultural Research at Gadjah Mada University in Jogjakarta.

"To us, the king is still a representative of a supernatural power," he said.

The Mangkunegaran family is one of four royal households in Central Java. The result of divisions two centuries ago among the inheritors of the ancient Mataram empire, Solo, a center of traditional art, has two imposing kratons, or Javanese palaces: the Mangkunegaran and the Hadiningrat.

Jogjakarta, about 40 miles (64 kilometers) to the southwest, also has two traditional rulers: Paku Alam and the Sultan Hamengku Buwono, whose palace dominates the town center.

While other Javanese rulers might be inclined to foster auras of mystic power, the present Mangkunegoro is without artifice. He chats openly about his life, with its hopes and disappointments.

He remembers a happy childhood in the palace, where there was a play group and schools attended by the seven children of Mangkunegoro VIII. Then he became a rebellious teen-ager, turning to motorcycles and modern art.

He recalls the reaction of his father, who was also a painter, but given to naturalism, as being: "Art? Oh no!"

"I was compelled by my parents to enroll at Gadjah Mada University, to study international relations," the king said in Bahasa Indonesia, the national language, through an aide and interpreter who spoke to him only in the highest level of Javanese, reserved for rulers.

"I was not allowed to go to the art academy,"

he said. "But my soul was hungry for art. You know, when my parents were still alive I was not allowed to go to my canvas because if I did that I would waste my time. I was not allowed to paint in the surrealist, abstract style. I am just learning that now."

He lasted one year at the university.

In 1973, the young man, second in line to the throne to an elder brother whose career was in the military police, was sent to work for the American oil company Caltex in Sumatra. It was an interlude that brings animation to his voice.

"I enjoyed very much the American life style," he said, describing how he got up early to jog and eat with a crew teaching him fire-fighting techniques.

A year later, he married Suknawati, a daughter of the late President Sukarno, who according to Professor Bakdi Soemanto was also "a little rebellious." The marriage ended in divorce. His two children, 11 and 13, live in Jakarta with their mother and go to school there.

In 1977, his elder brother was killed in a traffic accident. For the younger prince, the preparation for a royal life began. But slowly.

"I am young and used to joining in the activities of ordinary people—and I like to do things for myself," he said, waving to some startled tourists on a palace tour. He said he wanted to keep the palace open to the public "to show that there is still life here."

"After being crowned Mangkunegoro, there seemed to be a gap between me and the people," he said. "It's because of my position. They have more respect for me. But I do the same for them."

"Some people still call me Sujiwo," he added. "I don't mind. We have to make these changes step by step."



Kanjeng Gusti Pangeran Aryo Mangkunegoro, at home in Solo.

## WORLD BRIEFS

### Sri Lankan Troops Deployed in East

**COLOMBO (UPI)**—Hundreds of Sri Lankan troops replaced Indian soldiers protecting ethnic Sinhalese villages in parts of Eastern Province on Monday after 52 people were killed in three days of Tamil rebel attacks, the military said.

Brigadier General Denzil Kobbekaduwa said about 1,000 Sri Lankan soldiers were deployed Sunday along the main road linking the port of Trincomalee with towns in the interior of the province. He said the troops would be reinforced later in the week and their area of operation extended.

The move is part of a plan aimed at coaxing home about 40,000 Sinhalese villagers who fled a wave of Tamil rebel attacks beginning in September. They have balked at returning because of a lack of confidence in the Indian troops who were deployed in Tamil-dominated Eastern and Northern provinces under an accord in July aimed at ending the island's civil war.

### U.K. Forces Start Falklands Exercise

**LONDON (UPI)**—British forces began "Exercise Fire Focus" on Monday, the first test of its rapid reinforcement strategy for defending the disputed Falkland Islands. The exercise began despite protests from Latin American nations, including Argentina, which attempted in 1982 to seize the islands 300 miles (500 kilometers) off its coast.

The exercise mounted "the minimum required just to test the process of reinforcement against the day when it might be needed," Ian Stewart, armed forces minister, said.

The maneuvers involve Phantom fighters, light infantry and jet transporters. The Defense Ministry said. Officials declined to give details of the maneuver, which is intended to airlift the troops 8,000 miles (13,000 kilometers) to the South Atlantic islands before March 31.

### FAO Resents Fiscal Queries by U.S.

**ROME (Reuters)**—The UN Food and Agriculture Organization said Monday that questions the United States asked last week about its financial management of the agency could distract attention from its problems.

The U.S. ambassador to the agency, Fred Eckert, sent a letter to director general, Edouard Saouma, on Thursday raising 10 queries about FAO finances.

The FAO information director, Richard Lydiker, said the organization regretted the tone of the queries and the fact that the letter was made available to the media. He said it may "distract attention from the manner in which the nonpayment of the U.S. contribution to FAO is crippling the organization's programs of assistance." The United States has not paid the \$68 million owed to FAO for last year, a quarter of its agency's budget.

### Masters and Johnson Defend Survey

**NEW YORK (Reuters)**—William Masters and Virginia Johnson, human sexuality researchers, defended Monday their study on acquired immune deficiency syndrome and heterosexuals in the face of strong criticism about their research methods.

Questioned at a news conference, the two declined to identify scientists who reviewed their data or methodology, or to name the laboratory in which the AIDS virus blood tests for their study.

The highlights of their findings, made public over the weekend, included a contention that three million Americans now carry the AIDS virus, a figure twice as high as the estimate by the U.S. Centers for Disease Control. Several AIDS researchers and health officials called the conclusion an exaggeration.

### Armenians Planning Funeral March

**MOSCOW (Combined Dispatches)**—Armenians seeking a redrawing of Soviet internal borders have informed the Kremlin that they plan to hold a funeral march Tuesday for recent victims of ethnic violence, dissident sources said Monday.

Valeri Senderov, a member of a Moscow human rights group, said the march would take place in Yerevan, capital of the Armenian Republic, and participants would discuss a possible three-day general strike beginning Thursday.

Separately, more than 600 demonstrators, many holding candles and pink carnations, marched silently Monday for 45 minutes in the center of Moscow to remember the victims of Stalin and to protest repression. The police did not interfere with the procession. (Reuters UP)

### Chirac Vows to End Power-Sharing

**PARIS (Reuters)**—Prime Minister Jacques Chirac vowed Monday to end a power-sharing pact with the left if the Socialist president, François Mitterrand, is re-elected in May.

"If François Mitterrand is re-elected on May 8, that would signify the majority of the people were against our policy," Mr. Chirac, himself a candidate for the presidency, told a television interviewer. "We would no longer have their confidence. So, we would stay home and it would be to François Mitterrand to make Socialist policy, which we, naturally, would not support."

Analysts said Mr. Chirac was serving an ultimatum on ambivalent voters to make up their minds between Mr. Mitterrand and his rivals of the right. Since the Socialists lost their parliamentary majority two years ago, they have held the presidency while Mr. Chirac's conservative coalition has controlled the government. Voters will elect a president this year to a seven-year term, but legislative elections need not be held before 1991.

### For the Record

Seven prisoners, including two charged with murder, overpowered by police at a magistrates' court in London, locked them in cells and escaped, Scotland Yard said Monday.

Gammes firing from a car killed a Lebanese Army lieutenant in southern Lebanon on Monday, the military said.

An earthquake shook Alaska on Sunday, causing no damage but triggering a tidal wave warning and the brief evacuation of hundreds of residents along the coast of Kodiak Island.

South African police said Monday that two "trained terrorists" had been killed and six policemen slightly injured in a shootout in the southern city of Queenstown. The police did not release the names of the men killed or say why they were identified as terrorists. (AP)

## TRAVEL UPDATE

### U.S. Airlines Object to Security Rule

**SAN FRANCISCO (UPI)**—Airlines at major U.S. airports have given exemptions from a new federal rule requiring flight crews to pass through metal detectors because of delays and inconveniences caused by the procedure, officials said.

Nine airlines at San Francisco International Airport alone have received exemptions from the rule, which was implemented after a missed airline employee apparently smuggled a gun onto a jet and was on a shooting rampage, causing the plane to crash and killing all people aboard.

Talks to end a four-week strike by 2,300 seamen over work rules at the English port of Dover broke down Monday, and no further meetings were scheduled, ferry company officials said. (Reuters)

### Correction

Because of an editing error, an article in Monday's editions misidentified the home base of Standard Chartered PLC. The bank has headquarters in London.

## Uneasy Calm Is Reimposed in Lhasa Though Sources of Conflict Remain

By Daniel Southerland

Washington Post Service

**BEIJING**—Chinese police restored an uneasy calm in the Tibetan capital of Lhasa on Monday following anti-Chinese rioting, but observers said the sources of the conflict remained unresolved.

A pro-independence demonstration Saturday occurred after Chinese officials decided to allow monks to gather for a major religious festival, an occasion that offered monks an occasion to demonstrate.

The demonstration led to the arrest of an undetermined number of young monks and to the rioting, which included an attack on a police station. Xinhua, the official Chinese news agency, said that 28 policemen were hospitalized. Some sources said the death toll

of protesters and policemen may have been as high as nine.

Analysts said that the Chinese government, once again, faces a familiar dilemma: how to win Tibetan acceptance of Chinese rule while maintaining control over the mountainous region.

At the moment, the government is emphasizing control, observers said. Those officials in the central government who have advocated more religious freedom in Tibet have suffered a setback.

These officials have been arguing, with support from the Panchen Lama, the second highest-ranking religious leader in Tibet, that an easing of controls is needed to gain popular support and ease tensions in Tibet.

Certain "leftist" officials in the Tibetan regional government, however, are said to have opposed this line of thinking, and analysts be-

lieve they may now be strengthened.

"Lhasa's social order has been restored," the national Chinese television network announced Monday.

Twenty-nine years ago, on March 10, 1959, thousands of Tibetans launched an anti-Chinese demonstration that later in the month led to an armed uprising. The Chinese Army suppressed it, killing thousands of Tibetans and driving the Dalai Lama, the most revered Buddhist leader, into exile.

Judging by the youth of many of Saturday's demonstrators, the opposition to Chinese rule may not quickly diminish. Many of those most fanatically opposed to the Chinese are teenagers. A novice monk reported to have been killed by the police on Saturday was said to have been about 15 years old.

The monks are apparently divided as to whether or not they should publicly confront the Chinese. Some of the older monks are said to favor restraint.

Many of the monks want the Dalai Lama to return as the leader of an independent Tibet. They are also protesting Chinese restrictions on their religious freedom, such as the limit placed on the number of novices who can become monks.

Hundreds of monks are reported to have boycotted the just-ended religious festival to show their anger with the Chinese. The Chinese authorities had suspended the prayer festival for 20 years, but decided to allow its revival in 1986.

The official Chinese press, meanwhile, has given an incomplete view of the recent demonstrations. Although it has described the casualties suffered by policemen, the press has failed to mention any of the injuries caused to civilian protesters by the police.

The Chinese press has blamed the demonstrations on a "small number of splittists." But so far it has not attempted to connect the Dalai Lama with the most recent unrest, as it did during protests last September and October.

### Tibetans Rush Police

Tibetan exiles rushed Indian police lines in New Delhi on Monday during a demonstration called in support of pro-independence protests in Tibet, Reuters reported from New Delhi.

Several Tibetans among the 300 demonstrators, who included Buddhist monks, women and teenagers, were slightly injured when police prevented them marching to the presidential palace.

Demonstrators later burned a Chinese flag and sang the Tibetan national anthem.

### Spain Party Alters Name

Reuters

**MADRID**—Spain's small Popular Democratic Party has changed its name to Christian Democracy. The party leader, Javier Ruperez, said that the change represented a need to identify the party with its Christian Democratic tendency.



**OUT OF ORDER**—Kim Jung Kil, an opposition member of South Korea's National Assembly, was restrained as he tried to rush the podium to protest an electoral revision bill sponsored by the government. The measure, as written, would favor the ruling Democratic Justice Party in setting up election districts for assembly races in April. The opposition has vowed to block the measure.

## Trove From King Tut Tomb Found in U.K. Castle

By Howell Raines

New York Times Service

**LONDON**—A trove of more than 300 relics from ancient Egypt has been found in the ancestral home of the British nobleman who financed the excavation of the tomb of King Tutankhamen in 1922.

Most of the objects had rested for more than 60 years in a sealed cupboard at Highclere Castle, according to the seventh Earl of Carnarvon, the grandson of the collector.

The curator of Egyptian antiquities at the British Museum, Harry James, said that the collection was a mixed bag of objects with unique historical and artistic value, along with "archaeological junk."

Mr. James said that the Highclere items, unlike the Tutankha-

men treasures, were "not immensely precious in the sense of gold and silver."

However, the discovery was expected to answer some long-standing questions about missing objects known to have been excavated by the fifth Earl of Carnarvon and Howard Carter in their digs near Luxor from 1907 to 1911.

The discovery of the Egyptian antiquities in Highclere Castle, announced Monday with great fanfare in The Times of London, continued the tradition of mystery and romance that has surrounded the Carnarvon-Carter team and their Egyptian discoveries.

As with any good English country-house mystery, a butler played a key role in this latest installment. The present Lord Carnarvon inherited Highclere in September upon the death of his father, and called in his father's former butler, Robert Taylor, 75, to help inventory the estate.

"He told me when we were completing the inventory with Sotheby's, 'That's everything, except the Egyptian things, and I didn't know there were any Egyptian things,'" Lord Carnarvon said.

Mr. Taylor led him to two ornate doors, blocked with furniture and

guarding a neglected passageway between the drawing room and the smoking room.

"I had never seen them opened in my life," said Lord Carnarvon. "In the passage between the doors were two panels, and when you opened the panels, you could push your arm in up to the shoulder and in this space were pigeonholes with tin containers these objects."

Mr. James said that the most important objects were small sculptures in wood, about 12 inches (30 centimeters) high. The best of these, he said, was a carved and painted face of Amenophis III, the grandfather of Tutankhamen.

Both Mr. James and Lord Carnarvon denied that the objects were hidden away because of any connection with the ownership dispute that has surrounded the King Tut treasures.

When the fifth Earl of Carnarvon and Mr. Carter secured a license to excavate in the Valley of the Kings in 1914, they generally divided their findings with the Egyptians on a 50-50 basis. But when they opened the tomb of Tutankhamen, generally regarded as the most spectacular archaeological discovery of modern times, the Egyptian government claimed all the objects.

This started a run of bad luck for the Carnarvon family that spawned the legend of the "curse of the pharaohs." The fifth earl died from an

infected mosquito bite in 1923, a few months after entering the tomb for the first time. In 1924, his widow lost a legal battle with the Egyptian government for half the King Tut treasures, and her son, the father of the present Lord Carnarvon, turned his back on things Egyptian.

"The nannies or servants would say he was frightened of the curse of the pharaohs," Lord Carnarvon said in an interview with The Times of London, speaking of his father. "But the truth was he felt he was entitled to whatever his grandfather should have got from the Egyptian government."

In a 1978 book, "Tutankhamen: The Untold Story," Thomas Hov-

## 21 Rights Groups Accuse Colombia

Reuters

**GENEVA**—Twenty-one human rights groups, including the International Commission of Jurists and the World Council of Churches, said Monday that there had been hundreds of kidnappings and killings recently in Colombia.

The groups called on the UN Human Rights Commission, winding up its annual session Friday, to call for an investigation into widespread allegations of abuse in Colombia. They said many killings were connected with drug traffickers, but added that a large number of other assassinations "operate in close relationship with the armed forces and the police."

"Over the last few years the number of kidnappings, disappearances and arbitrary executions in Colombia has run into the thousands," the groups said in a statement. "Dozens of judges, teachers, trade unionists and hundreds of political figures have met the same fate."

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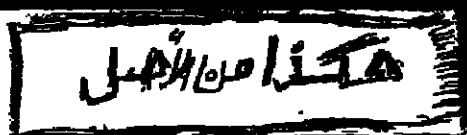
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# Bush, Dukakis and Jackson Count On 'Super Tuesday' Gains

By E.J. Dionne Jr.  
New York Times Service

ATLANTA — With the campaigns of Pat Robertson and Representative Jack F. Kemp of New York flattened by their showings in the South Carolina primary, Republicans are looking toward Tuesday's unprecedented number of primaries as a chance for Vice President George Bush to take a wide lead.

In the Democratic presidential race, the Reverend Jesse L. Jackson and Governor Michael S. Dukakis of Massachusetts seemed in position to accomplish a major, shared goal in the Tuesday primaries: preventing any other candidate from using the South as a springboard to broad national support.

The two candidates once thought most formidable in the South, Representative Richard A. Gephardt of Missouri and Senator Albert Gore Jr. of Tennessee, were struggling simply to do well enough to keep their candidacies alive after the voting on what has become known as Super Tuesday. Both the Gore and Gephardt camps conceded that it would be difficult for more than one of them to move on convincingly to the next set of primaries and caucuses. Both campaigns

also acknowledged that Mr. Jackson and Mr. Dukakis could lead the field.

The state of the Republican race was far clearer going into the battles Tuesday, when 17 states will vote in Democratic and Republican contests, and three others and American Samoa will hold Democratic caucuses. Never before have so many states held presidential nominating contests on the same day.

Caucuses are meetings, generally held in neighborhoods or voting precincts, at which delegates are chosen to be committed to different presidential candidates. Primaries are votes by secret ballot to select delegates who will then vote at party national conventions for certain presidential candidates. Rules for caucuses and primaries may vary from state to state.

Mr. Robertson now has a difficult struggle to convince skeptics that his candidacy can move forward. Mr. Robertson had once flatly predicted he would win South Carolina. Instead, he was not only buried under a Bush landslide, but he also finished third, behind Senator Bob Dole of Kansas.

"He's come and gone," said Eddie Mahe, a Republican consultant who had been among the first party

professionals to take Mr. Robertson's presidential bid seriously.

Another candidate who had once hoped to emerge as the hero of the conservative movement, Mr. Kemp, finished fourth in South Carolina and virtually conceded that his campaign was over.

"This may not be my year," Mr. Kemp told his hometown paper, *The Buffalo News*. "But that did not detract from the feeling I got from the campaign. I'm really glad I got in." Campaigning in Tennessee, Mr. Kemp said he would reassess his campaign after Tuesday's voting and joked: "If I finish behind Al Haig, I might drop out." Mr. Haig ended his campaign last month.

The result was to move the Republican Party toward a straightforward Bush-Dole showdown.

For Mr. Dole, the long-term impact of Mr. Robertson's demise might be favorable; a direct battle with Mr. Bush could enhance Mr. Dole's chances of joining the issues of leadership and "electability" that he has been trying to emphasize. And with Mr. Kemp all but out of the race and Mr. Robertson diminished, Mr. Dole is likely to make a strong bid for support from the Republican right.

The Dole strategy has left so much out there open, and left the vice president in the clear in a lot of places," said Lee Arwater, Mr. Bush's campaign manager. Mr. Arwater said that Mr. Dole had conceded large chunks of Texas, where 111 delegates were at stake, and Florida, with 82.

R. Marc Nutter, Mr. Robertson's campaign manager, said that despite Mr. Bush's "good win" in South Carolina, Mr. Robertson could still win a significant number of Tuesday's delegates. He predicted this would happen in 40 to 50 congressional districts where

Mr. Robertson is strong and Mr. Bush and Mr. Dole are weak.

Mr. Dole is hoping that by winning some smaller states — his chances seem best in North Carolina, Oklahoma, Arkansas, Missouri, and Maryland — he will keep Mr. Bush from winning more than 500 delegates. To win the Republican nomination, 1,139 are needed. If Mr. Dole's strategy works, it would also serve to make a Bush victory seem less overwhelming.

But even if Mr. Bush is held to 500 new delegates he would be well on his way toward the 1,139.

For the Democrats, the outlook for Tuesday is cloudier, and the various camps were admitting their own befuddlement over how Democratic voters would respond to the last-minute advertising being pumped into their living rooms.

Mr. Gore's aides said that with voters' allegiances unusually shaky, their candidate had a chance to pick up support. They noted that Mr. Gore may benefit from the furious volley of negative advertising between the Gephardt and Dukakis camps. The senator has also run negative advertising against both men, but has not been attacked much himself.

William Carrick, Mr. Gephardt's campaign manager, said the greatest beneficiary of the negative commercials might turn out to be Mr. Jackson.

"Dukakis goes after Gephardt, Gephardt goes after Dukakis, and Gore goes after everybody," Mr. Carrick said. "If you don't like all this, you might just go and cast a protest vote."

Mr. Jackson seemed to be courting just such a protest vote, offering himself as the candidate who has stood above the negativity. "I haven't been running negative commercials and nit-picking and rat-a-tat-tat," Mr. Jackson said in a television interview.



A SOLEMN MOMENT — Coretta Scott King, the widow of the slain civil rights leader Martin Luther King, standing near the grave of her husband in Atlanta with the Reverend Jesse L. Jackson, hands folded, Mr. Jackson, who was an aide to Dr. King, is a Democratic candidate for president.

## Reagan Panel to Urge Privatization Of a Wide Range of U.S. Activities

By Peter T. Kilborn  
New York Times Service

WASHINGTON — A presidential commission plans to recommend that a wide variety of government activities, including air traffic control and many postal services, be turned over to private business.

It will also propose that the government act "aggressively" to let public housing tenants buy their homes at substantial discounts, and that communities provide incentives for children to move from public housing to private homes, public and private.

The proposals are among the scores of recommendations that appear in the final draft that the president's Commission on Privatization, appointed in September, plans to submit to President Ronald Reagan on March 18. Blended with other studies by the Office of Management and Budget and by a working group in the White House, they will make up the administration's principal initiative on domestic economic policy in the president's last year in office.

Democrats say there is resistance in Congress to privatization be-

cause they suspect Mr. Reagan of using the concept as a cover for shrinking the government and making illusory cuts in the budget deficits. And Congress has gone along with only two important privatization initiatives, the sale of Conrail and the sale of some government loans.

But some Democrats and the 12-member commission maintain that privatization can also be viewed more broadly — as a means of achieving nonideological goals like improving schools, housing and overall government efficiency.

"We entrust our lives to private airlines," said David F. Linowes, a Democrat and professor of political economics at the University of Illinois, chairman of the commission. "The government sets the standards for the airlines. Why can't we do that with the air traffic control system or our prisons?"

Jeff Faux, president of the Economic Policy Institute, which often supports Democratic programs, said, "If the point is just to get something out of the public sector, it's an ideological issue." But he added, "It certainly makes sense for the government to have to make

the same make-or-buy decisions that any economic institution should go through."

Proponents of privatization doubt that many of the proposals will be adopted this year. But they say the recommendations provide a foundation for initiatives by the next administration, whether Republican or Democratic.

The privatization commission's proposals overlap many that the White House proposed earlier. The budget office enumerated some of these in its annual management report this month, and Mr. Reagan cited some in his budget message last month. The commission, like the administration, urges the sale of Amtrak, the passenger rail line, along with several electrical power utilities, more government loans and the Navy's petroleum reserves.

Both sets of proposals also suggest turning much of the Postal Service over to private contractors, an idea that faces strong opposition from the postal unions and would let businesses take over a variety of other services, including the management of some prisons and domestic military commissaries.

## Kissinger Urged Israel to Ban Press

By Robert D. McFadden  
New York Times Service

NEW YORK — Henry A. Kissinger has privately urged that Israel ban television cameras and reporters from the occupied territories as part of its effort to put down violent protests.

Israel should accept the criticism of the press for doing so, according to Mr. Kissinger, and should suppress the Palestinian uprising as quickly as possible with whatever force is necessary to bring an end to a tragic situation.

He gave these views last month at an off-the-record breakfast in which he also urged prominent American Jews to refrain from criticizing Israel for its handling of the crisis. In addition, he expressed reservations about a peace conference and proposed that Israel unilaterally announce that it would give up some territory it seized in the 1967 Arab-Israeli war.

The remarks by Mr. Kissinger, who was secretary of state for Presidents Richard Nixon and Gerald R. Ford, were outlined in a confidential memorandum by Julius Berman, a former chairman of the Conference of Presidents of Major American Jewish Organizations and one of about eight people at the breakfast in early February. A copy of the memo was obtained by The New York Times.

Asked about the memo, Mr. Kissinger and Mr. Berman expressed outrage that the remarks and the memo had been made public. Mr. Kissinger did not disavow the remarks, but he insisted that his proposals for excluding news organizations were only a small part of what he had said.

In summarizing Mr. Kissinger's points, the memo said: "Israel should bar the media from entry into the territories involved in the present demonstrations, except the short-term criticism of the world

press for such conduct, and put down the insurrection as quickly as possible — overwhelmingly, brutally and rapidly."

Paraphrasing Mr. Kissinger, the memo said: "The insurrection must be quelled immediately, and the first step should be to throw out television, it is a South Africa. To be sure, there will be international criticism of the step, but it will dissipate in short order."

"As he put it, 'There are no awards for losing with moderation.'"

Mr. Berman's memo said Mr. Kissinger "appropriately noted that Israel's public relations were horrible" in handling the crisis.

Mr. Kissinger expressed dismay at the disclosure. "It's enough to drive you to drink," he said. "It's sort of disgusting to me."

He said his talk of excluding the press was made in a conversation with Lawrence A. Tisch, chief executive of CBS Inc. Mr. Kissinger and Mr. Berman declined to say who else attended the meeting.

Mr. Kissinger said he dealt mostly with the advisability of a Middle East peace conference and Israeli strategy in seeking peace with Arabs.

"My major point," Mr. Kissinger said, "was that this was not the time to engage in breast-beating. I said that Israel should indicate what territory it was willing to give up."

The memo said Mr. Kissinger urged that no concessions be made during the uprising, but that at the right time Israel should say it was willing to give up Gaza to Jordan — not Egypt — and parts of the West Bank in return for concessions by Jordan in the West Bank that would bar military forces and Palestinian governments in the disputed areas.

## Pro-Sandinists Attack Rally For Prisoners in Nicaragua

New York Times Service

MASAYA, Nicaragua — Pro-Sandinist demonstrators broke up a rally planned by several hundred relatives of prisoners in this town southeast of the capital.

The clash came Sunday as the authorities were seeking to assert their political control in the face of new challenges. Political restrictions have been eased in compliance with the Central American

peace agreement, and as a result the government has faced protests.

The rally in Masaya, about 20 miles (32 kilometers) from the capital, was called by the January 22 Movement of Relatives of Political Prisoners, which is campaigning for a general amnesty.

As the rally began, speakers complained of jail conditions and said visits with their relatives were often canceled arbitrarily. "For fear of our movement, the Sandinists send people to attack us," one speaker said.

Minutes later, the pro-Sandinist crowd that had gathered nearby began to approach. Policemen stood by as youths armed with sticks, rocks and lengths of wire charged. Relatives of prisoners and their supporters scattered. Among the demonstrators were mothers of government soldiers killed in action.

## 20 Rescued on Oil Platform

THE HAGUE — Two Dutch Navy helicopters evacuated 20 crewmen Monday from a British oil drilling platform in the North Sea after it flooded in stormy weather 20 miles (about 30 kilometers) off the coast, a marine spokesman said.

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## Dole, Struggling to Avoid a Rout, Takes Up Trio of Anti-Bush Themes

By Bernard Weinraub  
New York Times Service

BAL HARBOUR, Florida — After two grueling months on the road, a weary Bob Dole came to this resort town to seek up some sun near his beachfront apartment.

The dismal weather, which kept the candidate indoors, matched the mood within the Kansas senator's presidential campaign.

Acknowledging that he expects to lose many of the 17 states to Vice President George Bush in Tuesday's primaries and caucuses, Mr. Dole is struggling to offer a series of themes that will strengthen his troubled campaign.

The senator is seeking to turn the narcotics issue, the Panama crisis and Mr. Bush's role as vice president — "Give us some decision you've made that made a difference in the last seven years," Mr. Dole says — into a unifying, if not fully coherent, theme.

At the same time, Mr. Dole said after losing to Mr. Bush in the South Carolina primary Saturday that the Illinois primary March 15 was a make-or-break contest for his candidacy.

South, one of the states that the Senate Republican leader hopes to win on Tuesday. "We've Reaganized the Republican Party. We don't want to Mondale-ize it."

Walter F. Mondale, the Democratic presidential nominee in 1984, was overwhelmingly defeated by President Ronald Reagan.

At one level, Mr. Dole is escalating his attacks on the vice president, raising questions about whether his rival, when he was director of the Central Intelligence Agency, knew of the alleged drug ties of the Panamanian leader, General Manuel Antonio Noriega.

"How much money did Noriega receive? Was he on the CIA payroll?" Mr. Dole asked at a rally in St. Petersburg, Florida. "I ought to be answered before Tuesday."

With his polls showing Americans deeply concerned about narcotics use, Mr. Dole has also, in

recent days, emphasized the issue of narcotics abuse among the young. He also has implied that Mr. Bush, as head of the administration's task force to staunch the flow of drugs, has failed at the job.

Repeatedly saying, "I am tough," and insisting that only "a tough person" can deal with the nation's narcotics problem, Mr. Dole said in campaign stops in Georgia, North Carolina, Oklahoma and Missouri that "drug overlords" should face the death penalty, that anti-drug education should start in the first year of school and that the next administration must tackle the problem head on.

Yet, Mr. Dole's aides acknowledge that his use of the drug issue is largely another attempt to strike out at Mr. Bush, a presidential candidate who, the aides acknowledge, seems relatively immune to the senator's persistent attacks.

## CAMPAIGN BRIEFS

### Robertson Libel Suit Is Dismissed

WASHINGTON (AP) — Pat Robertson's \$35 million libel suit against a former congressman who questioned his war record was dismissed Monday after the Republican presidential candidate agreed to pay the court costs. Mr. Robertson had asked that the case be dropped.

Judge Joyce Hens Green of the U.S. District Court dismissed the case "with prejudice," which means that the former Republican congressman, Paul N. McCloskey Jr. of California, is legally the victor. Mr. McCloskey had charged that Mr. Robertson had boasted that his father, a senator, had used influence to keep him out of combat.

### Nunn Cast Vote for Gore in Primary

WASHINGTON (AP) — Senator Sam Nunn, whose support is considered important in the South, says he cast his absentee ballot for Senator Albert Gore Jr. of Tennessee in Tuesday's Democratic presidential primary in Georgia.

Mr. Nunn, in a statement released Sunday by aides as he was leaving for a weeklong trip to the Soviet Union, said he voted for Mr. Gore because "his views come closest to my own views as to the steps our nation must take to meet our challenges at home and abroad."

### Simon Rejects the Vice Presidency

CHICAGO (AP) — Senator Paul Simon, who is pinning his remaining presidential hopes on the Illinois Democratic primary election next week, says he would rather remain in the Senate than accept the vice presidency.

Mr. Simon said Sunday that the vice presidency was a "ceremonial post."

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# Herald Tribune

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## More Pentagon Fantasies

The Pentagon is mortgaging its present to its future. Even the reduced budget prepared last month by Frank Carlucci, the new secretary of defense, fails to address the choice former Secretary Caspar Weinberger so long postponed: The weapons being planned for the future cannot be afforded without severely undermining military preparedness today. In failing to postpone a costly new generation of planes and ships and nuclear forces, Mr. Carlucci has passed a critical choice to his successor.

In fairness, Mr. Carlucci has not had much time to plan his way out of the chaos Mr. Weinberger bequeathed. For seven years the U.S. army, navy, and air force planned their forces as if the Pentagon's budget would enjoy eternal growth.

Under last year's budget-cutting accord between the White House and Congress, Mr. Carlucci had to cut Mr. Weinberger's projected budget for next year by \$33 billion. He has done so in two costly ways: by protecting the development and production of new weapons, which will exert heavy pressure on future budgets; and by cutting back on force size and ammunition, which directly undermines military readiness.

Investing for greater military strength might seem a smart move. In fact it is the opposite, given that the Pentagon's budget is likely to stay flat or even decrease because of the federal deficit. Yet Mr. Carlucci's plans assume that the Pentagon will enjoy 2 percent real growth for the next five years.

The appalling danger of the Pentagon's fantasy world is that when real budgets are greatly reduced, contracts already signed for new weapons still have to be fulfilled, forcing readiness to be heavily sacrificed.

Mr. Carlucci's changes thus threaten to

lead, quite rapidly, to the state of military unpreparedness that the Reagan administration has spent \$2 trillion to reverse. "Not only are we cheating the public by signing them up for things that we can't afford, but we're hurting the military because there's going to be a readiness bloodbath," a Pentagon official told the National Journal.

The most practical way to preserve military strength is to postpone the new generation of weapons the services want to buy. These include the Stealth bomber, the advanced tactical fighter and the Seawolf submarine. Though the new weapons would be nice to have, there is little immediate need, since Soviet military spending appears to have remained flat for several years.

Also, the Pentagon must stop buying weapons in haste. This leads only to disaster, as shown by the air force's truly mediocre performance with the B-1B bomber. The 100-plane fleet has cost \$28 billion, yet is incapable of penetrating Soviet airspace.

As Nick Kotz has noted in "Wild Blue Yonder," a new book about the bomber, "We manufacture weapons that are not needed, that cost too much, and that don't work, while we fail to meet other, more basic defense needs."

The radar-evading technology of the Stealth bomber and other proposed aircraft has yet to prove itself. There is every reason to insist on a cautious, fly-before-buy approach for all the weapons dreamed up during Mr. Weinberger's spendthrift days. The latest Pentagon budget may be useful as a cudgel against the next administration if it fails to uphold the Reagan military goals. But Mr. Carlucci's first try is not a serious way to plan U.S. security.

—THE NEW YORK TIMES

## A Rising Tide of Inequality

The theory used to be that all Americans had a stake in prosperity. The comforting notion was that the rising tide would lift all boats. But the theory and some of the boats have holes in them. Not all Americans share equally in good times. Income inequality has greatly increased in recent years.

The Congressional Budget Office and the Urban Institute have just published studies of the issue. The budget office report is a little sunnier. Real or inflation-adjusted median family income, as officially measured by the Census Bureau, has declined since 1970, but the budget office says that this measure is misleading. Until recently it overstated inflation, using an index that exaggerated ongoing housing costs. At the same time it ignored the steady decline in average family size. Adjusting for these, the budget office says the median actually rose about 20 percent from 1970 to 1986.

The Urban Institute study, done mainly by Joseph Minarik, does not so much quarrel with this as point out that incomes rose much faster in the 1950s and '60s. Today's typical family is struggling to raise its standard of living not just by having fewer children, but by working more—there are more two-earner families—and saving less, which, Mr. Minarik laments, are all finite remedies. The study also reminds experts that while the old census formula may have exaggerated housing costs for the population as a whole, it did not exaggerate them

for younger families trying to buy a first home, which many cannot afford today.

As to inequality, Mr. Minarik notes that the gap between rich and poor is at a postwar high, with 43.7 percent of all income going to the richest fifth of the U.S. population and 4.6 percent going to the poorest fifth. The shift in these shares since 1970 means a family in the poorest fifth is \$17.50 worse off in constant dollars than the average member of the richest fifth \$10,000 better off. The budget office says the greatest lag has been among single-parent families, but it and the Minarik report both warn, as others have before, that the spread of the single-parent family does not fully account for what has happened.

Scholars seeking explanations look to wages, which remain about three-fourths of all income. There has been a weakening of wages, but even this is not fully understood. Nor does the shift toward a service economy explain it, since the mix of high- and low-paying jobs has not been affected the way mythology suggests. The simultaneous arrival in the work force of the baby-boomers and a higher percentage of women may be a better explanation.

What is most remarkable is not how little still is known about these income trends but how elliptically they have been reflected in the U.S. presidential campaign. No issue could be more important.

—THE WASHINGTON POST

## Fighting Back on Drugs

Why won't the United States fight back? The public is outraged about drugs, yet the Reagan administration, which keeps declaring war, is unwilling or unable to fight it with more than words. Recognizing this weakness, drug merchants grow more brazen, spreading terrorism and fear.

The issue is tormenting but not hopeless, not if it is seen in component parts and if each is energetically addressed.

● Attack the foreign supply. America's attempt to pressure foreign producers remains a game of cat and mouse between Congress, which is intent on punishing drug-producing countries, and the administration, resistant to single-issue diplomacy. Punishment might be effective in some countries, but where drug cartels are more powerful than governments, it would be self-defeating to suspend help. The State Department's annual report on drug trafficking rightly urges more cooperation and as much as \$300 million in U.S. aid.

● Patrol U.S. borders. America has never wanted to wall itself in, but drug-laden planes or ships cross easily, despite recently intensified operations. Far more drugs get through than are stopped.

Responsibility is divided among the customs, Coast Guard and immigration agencies. New York's Mayor Edward Koch, some people in Congress and others call for greater involvement of the military, an idea that Defense Secretary Frank Carlucci currently resists. Yet recent law eases restrictions on military participation, and a presidential directive recognizes drug trafficking as a national security threat. Why not at least ask the Pentagon for a realistic plan?

● Offer treatment of drug abuse on demand. Experts believe that perhaps half the nation's drug addicts would like to kick their habit, and half of those might succeed in a treatment program. Yet treatment remains unavailable to most. A national commission recently urged spending \$2 billion to provide treatment on demand to fight AIDS. Drug abuse alone argues strongly enough for such a commitment.

● Build up local law enforcement. The issue cannot be left to local police and prosecutors, but, with help, they could do much more. When heavily armed gangs traffic freely in murder and drugs, they promote the idea of their invincibility. In fact, though, they are vulnerable.

In a striking example, Manhattan's district attorney, Robert Morgenthau, assigns two prosecutors and four detectives to specialize in drug murders. In three years, the group has made good cases: 18 murder convictions, some of major gang figures, with average sentences of 30 years to life. It has also developed invaluable intelligence files on gang activity. But the team could use another five prosecutors and 15 more detectives just to cover Manhattan. New York's Citizen's Crime Commission sensibly urges expanding the concept.

Local police also need financial support for the manpower-intensive saturation tactics that can reclaim neighborhoods taken over by drug dealing. Another new strategy uses drug testing to monitor criminal defendants and convicts. In Washington, urine testing at the courthouse has been used to keep bailed defendants drug-free and thus less crime-prone. The approach, which depends on availability of treatment, could be vastly expanded nationwide.

Daunting as the drug problem may sometimes seem, there are reliable ways to contain it. Yet even as Nancy Reagan argues forcefully for a strong response, the administration continues to treat anti-drug initiatives like so many dubious spending programs, fair game for budget cutting. The Coast Guard recently announced suspension of patrols on the West Coast. The administration seeks to cut back \$225 million promised for local enforcement aid.

No wonder the president sounds fatuous when, at a conference on drugs, he announces that "the tide of battle has turned." Not only is victory nowhere in sight; he will not take the battle seriously. He has 10 months left. Why surrender now?

—THE NEW YORK TIMES

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## New Soviet Thinking About a Grand Myth

By Graham E. Fuller

This is the first of two articles.

WASHINGTON — We are now — almost casually — discussing the prospects for a Soviet pullout from Afghanistan this year. But we should not be casual about it. The event is revolutionary in its implications for Soviet foreign policy. If Moscow leaves, the West will need to reassess some of its basic assumptions about Soviet conduct.

I recall vividly the day the Communist Party of Afghanistan seized power in Kabul, during a bloody 24-hour coup on April 27, 1978. I was watching the battle unfold from the roof of the U.S. Embassy in Kabul — where I was

This withdrawal poses vastly more revolutionary implications than the original invasion did. It will require anyone who has taken a harsh view of historic Russian geopolitical ambitions — as I have — sharply to revise his thinking about the nature of Soviet power in the Gorbachev era.

This is not to suggest that the Soviet Union suddenly has been "born again" under Mr. Gorbachev or has abandoned major national interests in favor of some benign new role.

But Afghan events require that we recognize that Moscow may be starting to open from a different set of political imperatives — "new thinking," if you will. What greater test could be posed for this new thinking than an unconditional withdrawal from a contiguous Communist state that has received a huge investment of Soviet treasure and blood?

### A Soviet pullout from Afghanistan would be far more revolutionary than the invasion itself.

stationed as an officer in the Foreign Service. I remember being haunted by the thought that perhaps Afghanistan was even then permanently joining the ranks of Communist nations — whose revolutions were proclaimed by Leonid Brezhnev only a few years before to be "irreversible."

The Soviet invasion 20 months later to prop up the Kabul regime seemed to confirm the fear that the Brezhnev Doctrine had a new client.

Contemplating the possibility of a Soviet withdrawal in later years while working at the CIA, I felt that Afghanistan was even then permanently joining the ranks of Communist nations — whose revolutions were proclaimed by Leonid Brezhnev only a few years before to be "irreversible."

Yet now, it seems a distinct possibility that Soviet troops will in fact leave Afghanistan — without even obtaining a commitment to any specific coloration of a successor regime.

Conservative critics of the Soviet Union cannot have it both ways on this. If they accept the Soviet invasion of Afghanistan as completely consistent with Soviet character and power politics, then the withdrawal must be recognized as the extraordinarily important event it is. Only those who might have argued in 1979 that the Soviet Union never really wanted to go in the first place, that such an act was atypical of Soviet behavior, can now say that they are less than deeply impressed by the implications of the move.

After all, this is not simply an exercise in cutting losses. The Russians are no fools; they can recognize a losing situation when they see one. But was withdrawal really Moscow's only option in treating this vexing problem of empire? Was it not possible to increase the troop commitment to the point where the mujahidin might have been beaten down? Was it not possible to step up the cost to Pakistan of supporting the insurgents?

Subversion in Pakistan to exacerbate the deep domestic problems of that country has always been a Soviet option. An increase of Afghan border tensions against Pakistan could have

## That Old 'Class Struggle' Rhetoric Has Been Buried

By William H. Luers

WASHINGTON — Perhaps the most important pages for the West in Mikhail Gorbachev's book, "Perestroika," proclaim the burial of that maddeningly deceptive phrase "peaceful coexistence." In several carefully worded paragraphs, Mr. Gorbachev provides the ideological reasoning behind the decision to eliminate the Soviet definition of peaceful coexistence as "a specific form of class struggle."

Peaceful coexistence was the sweet-sounding formulation that Nikita Khrushchev brought to the summit meeting in the United States in 1959. His siren call to the American public was expounded in a hopeful, but not altogether candid, article in Foreign Affairs, published (as Mr. Gorbachev's book was) on the eve of his visit with an American president.

The essence of Khrushchev's message was that, because of the existence of nuclear weapons and the power and influence of the "socialist camp," a third world war was no longer "fatally inevitable." This ideological reassessment, which held that the ultimate "class struggle" would not inevitably culminate in a war that

would eliminate capitalism forever, was an important step forward. It promoted a thaw in the Cold War.

Yet, intrinsic in peaceful coexistence were notions that Western statesmen could not accept. Khrushchev stressed in his article a firm belief that the socialist system would win over capitalism, based on his "knowledge of the scientific basis governing the development of society."

Implicit in the Soviet writings on peaceful coexistence was the notion that while the United States and the Soviet Union should not go to war or interfere in each other's internal affairs, the rest of the world was fair game for class struggle and ideological struggle would intensify to hasten the inevitable triumph of socialism. And war, though not inevitable, still was a means of bringing capitalism's end.

To many in the West, "peaceful coexistence" has a certain pragmatic appeal. But to those who read the Russians intended, the phrase was an offensive propaganda device to conceal the underlying hostility between East and West. George Ken-

nan, in a 1960 Foreign Affairs reply to Khrushchev's article, expressed eloquently the rage felt by many students of Soviet politics. After analyzing the pretensions of Khrushchev's article, he concluded:

"So long as the leaders of the Communist Party of the Soviet Union continue to hold that truth is what is useful to the interests of the party, even those people in other parts of the world who might most earnestly wish for coexistence as Mr. Khrushchev has defined it will have to put restraints on their hopes and expectations."

Now, Mr. Gorbachev has taken the party several important steps beyond Khrushchev. The certitude and ideological groundwork for a more pragmatic foreign policy, he explains in his book that his leadership eliminated from the old Communist Party program two key sentences that admitted the possibility of a third world war, one that would "sweep imperialism away and bury it" — a quintessential Khrushchevian formulation. Mr. Gorbachev is saying that war is not a valid means of defeating capitalism.

Most important may be his burying of "peaceful coexistence." Last summer at the U.S.-Soviet Chautauqua meeting, in a debate with two top

Soviet ideologists, I said I welcomed Mr. Gorbachev's announced intention to reduce the "ideological and class struggle" component of Soviet policy.

A young Pravda correspondent rebuked me for not realizing that "under present conditions" the class and ideological struggle would intensify while state relations improved. A Soviet academician, Yevgeni Primakov, told the reporter that he was out of date, that I was correct, and lectured the earnest young ideologue on the new party line. This exchange was a metaphor for a changing Soviet society. When the ideology becomes confusing, it becomes less dangerous.

In divorcing the notions of class struggle from foreign policy and revolution from war, Mr. Gorbachev laid the ideological groundwork for a more pragmatic foreign policy. He explains in his book that his leadership eliminated from the old Communist Party program two key sentences that admitted the possibility of a third world war, one that would "sweep imperialism away and bury it" — a quintessential Khrushchevian formulation. Mr. Gorbachev is saying that war is not a valid means of defeating capitalism.

Now we must see what this means in practice. Mr. Gorbachev was careful in his dissertation not to disengage completely from the class-struggle component. He cannot. He is a Communist. Over time, will the Soviet client states (Cuba, Vietnam, Ethiopia, Nicaragua) cease the promotion of "class struggle" or "revolution"? Will the Soviet Union cease its support for those Communist parties that advocate violent revolution, such as in Chile, El Salvador and Honduras? Will the Soviet Union resist temptation to engage in opportunistic "national liberation" in such troubled areas as the Philippines? Will it disengage from Afghanistan? Will it allow real social and political change in Eastern Europe if the people of those nations so desire?

But 70 years of habits and ideology do not change with the burial of a slogan. The danger is that peaceful coexistence will be redefined; that the "inevitability of war" will re-emerge. Let us hope they stay buried.

The writer, U.S. ambassador to Czechoslovakia (1983-86) and to Venezuela (1978-82), is now president of the Metropolitan Museum of Art in New York. He contributed this comment to the Los Angeles Times.

## 100, 75 AND 50 YEARS AGO

### 1888: Kaiser Weakens

BERLIN — For several hours today (March 7) all hope of preserving the life of the Kaiser had been given up. He was so weak as to seem almost lifeless. His Majesty was racked by pain, and when the pain had been eased by morphine, his mind rambled and he spoke incoherently about State cares and the intense anxiety regarding his son. To-night he is reported to be quiet and asleep. If this is true his life may be saved; if not, then the worst may blast at any moment.

### 1913: Blast in Baltimore

BALTIMORE — An explosion of dynamite occurred in the lower harbor at Baltimore this morning, when more than 300 tons of this explosive, being loaded on board the British steamship Alum China, blew up. Forty bodies are reported to have been found. The British steamship sank, and the loss of property is estimated at many thousands of dollars.

## The Germans Know What They Want

By William Pfaff

BERLIN — Germany provides the fixed line upon which the rest move. Changing German perceptions of national threat, opportunity and the future move in tension with the perceptions of enemies and allies alike.

There is a real disagreement between West Germany and its allies on nuclear disarmament. The West Germans want to eliminate short-range nuclear weapons because their range limits their destructive effect to the two Germans. The United States, with enthusiastic British backing, wants NATO nuclear modernization. The other European allies fear a European denuclearization because that could make Western Europe vulnerable to the Warsaw Pact's putative conventional superiority.

The West Germans ask where their allies want to go. They ask for a "general conception" to guide NATO planning. This expresses German concern about where Germany is to go. The other allies worry that the German interest in general ideas makes them vulnerable to notions of German denuclearization, neutralization in the Cold War, or exchange of NATO ties for German unification.

There is no evidence that neutrality is considered a serious option by any responsible sector of West German opinion. Nor is there any evidence that most West Germans would even consider unification on the only terms on which it is imaginable: a break with NATO and the United States.

Still, West Germany is involved with East Germany in ways that make many in allied capitals uneasy. West Germany heavily subsidizes the East German economy. It provides privileged trade relations. East Germany has been called the hidden 13th member of the European Community. West German enthusiasm for such changes, economic cooperation with Eastern Europe and regional "confidence-building" is criticized as open to exploitation by the Communists.

The West Germans do have a "general conception" of what they want, however. It is not unification.

Unity is seen in historical perspective. The 75 years during which a united Germany existed, from Bismarck to Hitler, were a success for no one. The commitment to unification, which is part of West German law, and which the allies formally endorse, is under challenge even by conservative Germans. It was the result of postwar political expedience and illusion.

West Germans today want to change the quality, not the character, of relations between the Germans. They are concerned about the conditions in which East Germans live; they see the East Germans still paying the price for Nazi Germany's war. They want the East German isolation ended. They do not ask that the frontier disappear. They ask a more open frontier. They ask to be able to travel to Dresden. They want East Germans to be able to visit Munich or Hamburg. They want the Berlin wall torn down. They want open interstate relations, open communication and intellectual interchange.

They want an honest relationship. In August the West German socialist and the East German Communist Party signed a statement of principles on ideological conflict and security that said: "Neither side must deny the other its right to exist. Our hopes cannot be centered on one system abolishing the other. Those hopes are centered on both systems being capable of reform, and competition between the systems strengthening the will to reform on both sides." It is a significant document, by no means a soft-headed one.

The problem with peaceful competition between the Germans, as between the Soviet Union and the West, has always been that one side is fairly uncompetitive. Hence that side has been competitive in the other side's off. This cannot go on forever, a fact that Mikhail Gorbachev has grasped.

People in Eastern Europe sometimes say that things are as they are for them "because they cannot be otherwise." They are mistaken. Because history is process — is change — things can, and eventually will, be otherwise. A better sense of history would itself be a useful "general conception" for NATO.

The West Germans, though, are right to ask their allies for a more serious and more specific consideration of where the alliance wishes to go. A conception of how NATO might go beyond the necessary defense, toward a political program capable of giving East as well as West more than mere security, is what the alliance really needs.

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## Talk of U.S. Decline Comes Too Easily

By George F. Will

WASHINGTON — The Senate Budget Committee, in a bookish mood, recently submitted itself to seminar with Paul Kennedy and Jeanne Kirkpatrick. The Rise and Fall of Great Powers," has been received here with the warmth reserved for scholarship that seems to serve political convenience. Mrs. Kirkpatrick's intellectual counterpart was admirably incoherent.

Mr. Kennedy, a Yale historian, has produced a panoramic analysis of social and economic change; it is being used to amplify a national policy dispute over defense spending. He denies he is an economic determinist, but postulates a dynamic in which economic trends drive political decisions into predictable patterns.

It is a process of inexorable implosion: As nations flourish they acquire responsibilities; that then become debilitating. Great powers — Spain, France and Britain, in turn — acquire military power to help acquire and protect wealth. But the burdens of supporting military power make great powers vulnerable to competition from rising nations. A nation's neurotic insecurities become viciously circular, stimulating self-defeating military spending, resulting in "imperial overstretch."

Such analyses of rise and decline can easily become tendentious or tautological: Spending that the analyst opposes is "excessive," or spending that is manifestly self-defeating is, of course, excessive. But decline is a powerful theme in intellectual history.

Plato was preoccupied with prophylactic measures against social decay. The greatest work of history in the English language, Gibbon's, is a meditation on decline. And there is a perennial fascination with a search for "flaws" that govern the fluctuations of national fortunes.

The irreducible particularity of events suggests that history is another "science of single instances," meaning not a science. But Mr. Kennedy's book is not just history. Much of it is a meditation on contemporary politics, laced with prophecy and exhortation. America, he intimates, should attempt less.

Yet Mr. Kennedy believes that, given a prudent balancing of consumption and investment, national productivity can be maintained at levels of defense spending at least equal to today's.

He is a materialist in stressing the economic basis of national strength. The ingredient usually scanted in materialist analyses is politics — the expandable range of choice, of national assertion, available when the collective will is well-led.

Mr. Kennedy does not say nations are condemned to the prison of cycles. He acknowledges that France, for example, has frequently played a world role disproportionate to its portion of world gross national product. That fact reflects a variable that changes radically — leadership, such as that of Louis XIV, Napoleon, de Gaulle. But Mr. Kennedy's preference for quantifiable indices of national vigor (such as GNP), rather than ideas and personalities, makes him a historicist.

Mrs. Kirkpatrick's replies that the experiences of radically different nations in vanished cultural settings are of slight relevance today. There is no clear correlation, either in recent American experience (under Dwight Eisenhower and Ronald Reagan) or in the sweep of history, between a high level of military spending and diminished economic vigor. Further, the Soviet Union refutes the notion that a great military power depends on a flourishing economy and technological predominance.

Anyway, the level of U.S. government spending is set not by "imperial overstretch" but by domestic appetites: Defense as a percentage of GNP and of the budget is substantially less than what it was three decades ago, whereas the welfare-state entitlement menu has been steadily enriched.

Mrs. Kirkpatrick also notes that the increasing wealth of American allies in the postwar period has produced the "relative decline" in the U.S. portion of world GNP that Mr. Kennedy stresses. But that "decline" represents

the triumph of the American policy of basing U.S. security on nurturing and protecting free nations with creative capitalist economies.

The assumption of U.S. decline has become an intriguing ingredient in the presidential campaign. Some Americans seem to embrace it as a release from responsibilities. Mr. Kennedy says great powers in decline "instinctively" compound their dilemmas by diverting resources from investment to military spending, implies the subordination of mind and the autonomy of "natural" processes. He speaks of a nation's "natural" decline to a "natural" share of wealth: This is the biology of nations.

But nations, although organisms, are not plants. The "body politic" has a head, a mind. Politics, especially the continental conversation of presidential politics, is about choosing a destiny, not just adjusting to one.

Washington Post Writers Group



The writer, U.S. ambassador to Czechoslovakia (1983-86) and to Venezuela (1978-82), is now president of the Metropolitan Museum of Art in New York. He contributed this comment to the Los Angeles Times.

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## OPINION

# The German Good South Carolina Sense Know Who Prevails Against Robertson They Want

By William Safire

WASHINGTON — South Carolina, where firebrand orators more than a century ago led the United States into a bloody civil war, assured the Union on Saturday that the proud Palmetto State is a land of good sense.

The state's voting citizens made it plain that fund-raising fundamentalism, even when packaged by a familiar television smoothie, poses no danger to the process of selecting a president.

In an area where religiosity is at its strongest, on a battleground the "moral" candidate chose for a pre-Super Tuesday

**The fundamentalists are a minor force, and their pet peeves will be given only lip service at the Republican convention.**

convention, and they will be the first ones in the hall in the morning, festooned with hats and signs, the object of much photographic attention.

The fundamentalists, however, are not a serious political force and their current hero is not a serious political candidate. They are a minor force, and their pet peeves will be given lip service at the convention. Maybe their presence will help deny the front-runner a first-ballot victory. But they will have no veto power over a nominee and they will not be a "swing vote."

Why not? Aren't their votes as good as any delegate's? Isn't it elitist and anti-democratic to deny fundamentalists access to party decision-making and all the respect in developing policy that their political activity demands?

Serious political power requires the potential to grow. The fundamentalists peaked in Iowa, a state that has no status as a weather-vane, and Mr. Robertson's strength has dribbled off ever since. His base is neither enlarging nor shrinking; it just sits there, becoming less threatening.

Serious power requires presence in a political House. The fundamentalists turned out for Jimmy Carter, then switched to Ronald Reagan; now they are backing one of their own preachers.

The fundamentalists are neither Democrats nor Republicans, neither liberals nor conservatives; though lefties like to call them "the religious right," they drift in and out of the political right, giving values a bad name. They are themselves, with their special farrago of resentments, and it is foolish for Republican candidates to see in them a "broadening of the party base."

On the contrary, the attempt to pandor to their interests merely frightens off less arrogant moralists and narrows the Republican base. The fundamentalists do not want to win, they want to bite down hard on their own moral toothache. Without their own man on the ballot, this minority will split among the major-party candidates or go home and not vote at all.

That's why the South Carolina Republicans, primarily behind George Bush, secondarily behind Bob Dole, deserve the nation's thanks in rousing the fundamentalists. Hats off to the political regulars — and to the majority of fundamentalist Christians, Pentecostals, and charismatics, who showed themselves to be people with good sense, able to separate the affairs of church and state.

*The New York Times.*

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



By NARANJO in El Universal (Mexico City) C&amp;W Syndicate

## How Lenny, Felicia and I Met Pasternak

By Stephen S. Rosenfeld

WASHINGTON — With "Doctor Zhivago," the novel that helped win Boris Pasternak a Nobel Prize in 1958, now finally published in the Soviet Union, it seems a good time to recall my brief encounter with him.

The Kremlin, raging at the honor accorded a writer alienated from much of the Soviet revolution had wrought, had just forced Pasternak to reject the prize, and I was on my way to the Soviet Union with Leonard Bernstein and the New York Philharmonic as a Russian-speaking administrative aide.

Lenny was an official guest of the Soviet government but, ever drawn to the flame, he had to see Pasternak. The authorities blocked the efforts he made in formal channels, so, with the tour tick, away, Felicia Bernstein, Lenny's wife, and I hopped into a cab, figuring the hotel cabs were KGB but not wanting to sneak around. To Peredelkino, we ordered — the writers' colony outside Moscow where Pasternak lived.

We jolted along for several hours with a driver of impenetrable mien, hopelessly lost. Nobody we asked could help. The cab came out of a pine forest into a village of carved wooden huts, a mud road, chickens, and Felicia screamed. Through the rear window, out of the corner of her eye, she had seen Pasternak crossing the road. The slab cheeks and the shock of white hair were unmistakable. A package wrapped in newspaper was under one arm.

I am Felicia Bernstein, she began. Of course, Pasternak interrupted, bowing and speaking his formal English: I have been expecting you; you are dining with

us this evening. We practically swooned. As if finding the needle in the haystack were not enough, it was out one free night in Moscow. The elegant Felicia dropped a glove, and a peasant woman wearing a babushka picked it up and said, "Your glove, dama" (lady), as though the czar still ruled.

The writer tore a page from a little notebook and jotted down directions.

### MEANWHILE

leaving me the possessor of an original Pasternak manuscript.

That evening our car drew up to the light of a big sprawling dacha. It was raining. Pasternak and his wife appeared at the top of the stairs and just stood there. Lenny, primed for a meeting of two giants of culture, tugged at his coat. The Pasternaks were muttering to each other; the tone rose. Lenny and Felicia shifted. The world's most celebrated writer was saying, let them come in out of the rain! And his wife was saying, not through my kitchen. Take them to the front door!

The greater Pasternak family was introduced, and out came a Russian meal of cabbage, tomatoes, peppers, pickled mushrooms, roast meat, Georgian wine. Pasternak asked Lenny to play something he had composed. Uncharacteristically, Lenny balked, chilling the whole room and relenting only under Felicia's embarrassed urging. He played a song from

"West Side Story," as I recall. Later he explained that he was out of practice and could not bear playing second-rate piano before a great writer.

It was easy to draw out Pasternak. He confirmed, by faint denial, that at his readings listeners would fill in from memory the lines of his poetry that he sometimes forgot. Some of his friends, he said, had been enlisted to talk him out of the Nobel award. He was now working on his first play, about an artist-erf freed in the Emancipation of 1861. At one point Mrs. Pasternak broke through his literary ornateness with a touchingly simple toast to her guests.

Lenny had the night off because the orchestra had no concert. But Soviet musicians had arranged a big party and Lenny had to make an appearance. We got back late, and there was no way to keep the word from spreading that he had been with the banned Pasternak!

Glass at hand, Lenny took to the piano and started playing jazz with some Philharmonic men. He slid back his chair, still playing. He kicked over the chair and eased himself to the floor, still playing. He tucked himself under the piano with hands reaching behind and over him, really playing. All you could see was hands and they were making this fantastic music. The American musicians were roaring. The Russian musicians caught up. Lenny, who had just played for Pasternak as though he had lead fingers, took off for the moon. This is how it was the night Lenny and Felicia and I had dinner with Boris Pasternak.

*The Washington Post.*

## LETTERS TO THE EDITOR

### In Defense of the Dutch Colonial Record in Indonesia

I wish to object to Barbara Crossette's superficial remarks about Dutch colonial rule in Indonesia ("In Jakarta, a Whiff of Dutch Is in Style," Feb. 23).

Indonesia's colonial past is no worse than that of other former colonies, like the Spanish rule in South America, and certainly less bloody. The Netherlands East Indies government organized an extensive educational system for both Indonesians and Europeans. The Dutch rarely sent their children to schools in Europe as the British used to do.

The civil administration was equal to that of the British in Malaysia and was probably better organized. In Java there existed a Javanese administration alongside the colonial one. Often, rich Chinese from the Straits Settlements and Malaya preferred Dutch medical care to British and went to Java for treatment.

Never did the Dutch overlords impose their religion on the native population as the Spanish and Portuguese did, or their language as did the French and English. On the contrary, they promoted the use of Malay among the many languages of the archipelago; it was taught in schools, and when Indonesia became independent it had an official vernacular, which other former colonies lacked.

The oldest scientific society in East Asia was the Bataviaasch Genootschap, founded in 1778 — just to mention one of the many scientific achievements of the Dutch in Asia.

FREDERIK SACHSE  
Roquebrune, France.

In her report on the attitude of the Indonesian people toward their colonial past, Barbara Crossette missed the point slightly in her historical introduction. Although the Dutch did not leave behind a complete organization to govern Indonesia, they trained a great number of citizens to do so. This would not have been possible without an educational system, including a number of Indonesians trained in the Netherlands.

Although there might sometimes have been cruelty, as happened and happens everywhere, the older generation of Indonesians look back to that period as a period of legal security. While living in Indonesia in the 1970s, I never encountered hard feelings about Dutch colonial rule. This partly explains the ability of the Indonesians to look back in nostalgia, as do a large number of Dutch people.

INEKE WITKAM,  
Brussels.

### They Major in Survival

In the first quarter of this century much was done about the schools in Indonesia — perhaps not enough by present-day standards, perhaps not by U.S. and European standards of that time, but the way Barbara Crossette presents it is not true. As for the civil administration, Indonesia's has always been an example to other colonial administrations.

She writes, "Sometimes there was cruelty; always, there was exploitation." I don't know of any society with no cruelty or exploitation. I think I can safely call it minimal (I lived there until 1956).

Indonesia is a very large country populated by many peoples with entirely different social structures, races, faiths and languages, who may differ from each other as much as Poles differ from Italians or Turks. With such a multitude of differences, local fights have from time to time occurred. As far as exploitation is concerned, the Dutch government long ago forced the big land-owners to sell their land, which was divided between the people living and working on this land.

To conclude, may I quote a remark by a leading republican to a Dutch authority during the independence struggle: "Yes, you have governed us and you have governed us well, but you have governed us."

H.C. van HEUSDEN,  
La Croix-Valmer, France.

### Make Them a Part of It

The secretary-general of the OECD, Jean-Claude Paye, is certainly right in saying that the results of the difficult drive for structural reform would be better if the problems were tackled internationally ("Changing the Structure of Europe's Social Plan," Feb. 29).

Walking the tightrope between the twin desiderata of "equity" and "efficiency" in dealing with work habits, wage structures and social benefits, which some consider rigidities to be abolished in the interests of competitiveness and others see as inalienable acquired rights, one needs another factor, one that strikes me as crucial: Such questions can only be tackled effectively if the workers and the employers who will have to agree to and live with the new policies are brought into the dialogue from the beginning. In November, a high-level meeting in Geneva on structural change, attended by Mr. Paye, saw this to be a sine qua non of success. And success there must be.

FRANCIS BLANCHARD,  
Director-General,  
International Labor Office,  
Geneva.

KIMBERLY CALLECOT,  
Vienna.



"Some guys have all the luck..."



## Panama Pensioners Protest Closing Of Banks and Call Noriega 'Tyrant'

**The Associated Press**  
PANAMA CITY — Thousands of retired workers angry because they could not cash pension checks Monday blocked traffic at a dozen locations in Panama City as local banks remained closed for a fifth day.

[Panamanian Embassy personnel armed with truncheons stormed the Panamanian consulate in London Monday to evict consul Eduardo Arango, who supports ousted President Eric Arturo Delvalle, consular officials told Reuters in London.]

[They said that a four-man squad from the embassy smashed through the glass main doors of the building in a Land Rover and took over the building.]

In Panama City, several hundred pensioners and other protesters chanted "Noriega, tyrant, your end is drawing near!" in a demonstration at a main supermarket on the main Via España boulevard.

The chant, which rhymes in Spanish, refers to General Manuel Antonio Noriega, commander of the Defense Forces and the country's de facto leader.

Similar demonstrations took place outside branches of the National Bank of Panama at places where pension checks are normally cashed.

Most of the country's 60,000 retired workers Monday picked up their Social Security checks at hundreds of locations. Normally, they would cash them at any bank or at cashing posts set up by the government.

But because of a deepening political and economic crisis, local banks have been closed since last Tuesday. Branches of foreign institutions joined them in shutting their doors Friday. Stores and businesses stopped taking checks or credit cards late last week.

The government, on national radio, assured the pensioners they would get their money and promised to set up payment centers at the city's Bingo Hall and a soccer stadium. But as of Monday afternoon, the centers were not in operation.

**Mismanagement Charged**  
Larry Rohrer of The New York Times reported earlier from Balboa, Panama.

The Panamanian government has been mismanaging sections of the canal's Panama Canal Zone and installations important to the canal that have already been handed over by the United States, according to Panamanian employees of the canal and shipping experts. They say the government's performance raises grave doubts about its ability and willingness to run the waterway impartially and efficiently and to abide by the terms of the Panama Canal Treaties.

More than a dozen Panamanian technical and managerial staff members of the Panama Canal Commission were interviewed over the last week, as well as some U.S. officials and independent economic and shipping experts employed by private businesses.

The Panamanian employees declined to be identified, saying they feared retribution on the part of the Panama Defense Forces, whose leader is General Noriega. The employees and other economic experts say Panama has violated at least two articles of its treaties with the United States, which call for full control of the canal to be handed over to Panama in the year 2000. It has also failed to carry out its obligations to maintain canal installations that have been handed over since 1979 and to keep canal agencies free of corruption and politics, they say.

No one doubts the ability of the canal's Panamanian employees to run the waterway when the binational Panama Canal Commission disbands and the U.S. role here ends at noon on Dec. 31, 1999.

But there is fear among some employees that they will not be allowed to administer the canal professionally and impartially after the United States departs because of domestic political interference.

This government has put a political aspect to an equation that has no room for politics," said a Panamanian engineer who has worked at the canal for more than a decade. "As soon as you start to mix Panamanian politics with the running of the canal, that is the end of things."

"At the canal, we joke that the day will come when some colonel orders the Miraflores Locks to be closed so his daughter and her friends can use it as a swimming pool," said a Panamanian electrical engineer employed at the canal. "We haven't reached that point yet, but unless this country returns to democracy, that is what we can expect."

The Japanese, too, have shown interest. "It was standing room only," recalled Francis Narin, president of Computer Horizons, who has lectured on the process in Tokyo.

Having tested and refined the technique over five years, Mr. Narin and his colleagues at Computer Horizons are now applying it to a science foundation study, "Identifying Areas of Leading Edge Japanese Technology," due out in April or May.

The new studies show that patents awarded to Japanese inventors are far and away the most highly cited. This rate has nothing to do with the dramatic rise in the number of patents granted in the United States to Japanese, which now account for nearly 20 percent of all American patents. Rather, it speaks to quality.

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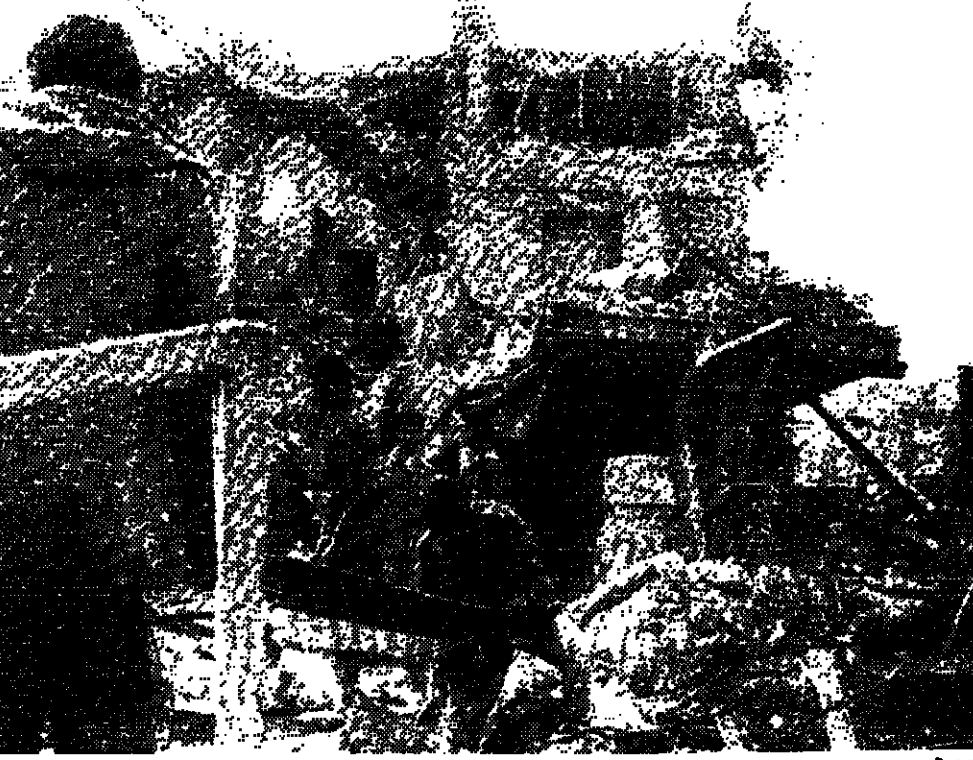
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Rescue workers sifting through rubble Monday following an Iraqi missile attack on Tehran.

## Moscow Assails Iran-Iraq City Raids

**The Associated Press**  
UNITED NATIONS, New York — The Soviet representative to the United Nations urged Iran and Iraq on Monday to stop bombing each other's capitals, calling this escalation of the Gulf War a major development.

"We consider this as just not another episode in the war between these two countries," the Soviet representative, Alexander Belonogov, said. "We think that the war between cities adds a new dimension to the protracted military conflict between the two neighboring countries."

Mr. Belonogov made the remarks at an impromptu news conference outside the chamber of the Security Council, which was to meet behind closed doors later on the Iran-Iraq war.

Rioters in Tehran, reacting to Iranian assertions that the missiles fired on Iranian cities were provided to Iraq by the Soviet Union, attempted to storm the Soviet Embassy on Sunday.

Mr. Belonogov denied that "the defensive weapons now used against Tehran and other cities" were Soviet-made. He also said that the Soviet Foreign Ministry had lodged a "vigorous" protest of the embassy in Moscow.

Baghdad has said that the missiles it is using against Iranian cities are made in Iraq.

In July, the Security Council, in a unanimous resolution, demanded an immediate cease-fire in the Gulf conflict. The United States is seeking a UN arms embargo against Iran for rebuffing the resolution, but the Soviet Union has balked at an embargo.

Iran and Iraq continued firing missiles into each other's capitals Monday, and both countries reported that dozens of persons had been killed.

The official Iranian news agency, IRNA, said that 12 civilians had been killed and 30 wounded wounded when an Iraqi missile exploded Monday in Tehran. The agency said that a hospital clinic, several houses and 30 vehicles had been destroyed.

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## Damascus Says Tehran Agrees to Halt Attacks On Gulf Arab Shipping

**By Patrick E. Tyler**  
*Washington Post Staff Writer*

DAMASCUS — Syria has won a "guarantee" from Iranian leaders, after mediating between Tehran and the Arab states of the Gulf, that Iran will halt attacks on oil tankers flying flags of the Gulf Arab states, a senior government official in Damascus has said.

The minister of information, Mohammed Salman, said in an interview last week that the Iranian guarantee has thus far been honored. He criticized Iraq for attacking Syrian diplomatic efforts, which he said were designed to reduce tensions in the Gulf.

Syria is Iran's only Arab ally and backs it in its war with Iraq. "The Iraqi regime felt that it would be isolated in the confrontation with Iran," Mr. Salman said. "They consider that this mediation by Syria is aimed at overthrowing them."

Mr. Salman, who was recently appointed to his position by President Hafez al-Assad, said the Syrian diplomatic effort was undertaken at the request of King Fahd of Saudi Arabia in November during the Arab League summit meeting in Amman.

The Iranian guarantee comes as most of the Gulf Arabs are pressing for a UN arms embargo against Iran.

Iran on Friday issued a statement saying it accepted a UN cease-fire call, apparently in an effort to head off the arms embargo. UN officials, however, said that the Iranian statement was ambiguous, and the United States said it would continue efforts for an embargo.

As described by Mr. Salman, the Iranian guarantee covers a relatively small portion of tankers that call at ports on the Arab side of the Gulf. Most of the ships attacked by Iran have flown flags of convenience, such as those of Liberia, Panama or other tax havens.

"After the commitment was made by Iran, no ship has been hit which carries the flag of Saudi Arabia or any Gulf state," he said.

Mr. Salman said Syrian diplomatic efforts as well as those by the ruler of the United Arab Emirates, Sheikh Zayed bin Sultan al-Nahyan, have also focused on preventing another clash between Iranian pilgrims and Saudi security forces during this year's pilgrimage to the holy city of Mecca.

On July 31, Iranian demonstrations in Mecca caused a bloody confrontation with Saudi forces in which more than 400 people were reported to have been killed.

A key consideration in Syria's policy of restraint is this year's expiration of the Baghdad summit agreement of 1978, under which Gulf Arab countries pledged financial support to the "confrontation" states bordering Israel.

The payments were important sources of revenue to both Syria and Jordan. Now, however, only Saudi Arabia continues to honor the 1978 agreement. The Saudi spend to Damascus represents \$500 million a year in precious hard currency at a time when Syria's economy is deeply troubled.

Although Mr. Salman adheres closely to his government's official line in explaining Syria's position in the Gulf war, he sought to avoid directly attacking Iraq. The Syrians have agreed to a moratorium on propaganda attacks, but in January Iraq broke the accord, accusing Damascus of "treacherous" attempts to divide the Arab states that lend financial support to Iraq's war effort.

Since the Amman summit meeting, Syria has maintained its close strategic alliance with Iran, despite having acquiesced to an Arab League condemnation of Iran for rejecting the UN cease-fire resolution.

Mr. Salman said no Arab leader had called on Syria to sever its relations with Tehran. "How can they ask us to mediate and at the same time ask us to cut relations?"

Even so, Arab leaders at the November summit meeting worked strenuously to end the longstanding estrangement between Mr. Assad and President Saddam Hussein of Iraq, who have been bitter foes for nearly a decade.

King Hussein of Jordan announced at the end of the summit meeting that Mr. Assad and the Iraqi president had agreed to a rapprochement. But in an interview in Baghdad last month, the Iraqi information minister, Latif Nassir Jassim, said, "There is no rapprochement between us, in the past or in the present. Iraq cannot mediate with this regime at any time because it has stabbed Iraq in the back with its deception and lying."

Mr. Salman's tone, however, was less confrontational. "The worsening relations between Syria and Iraq result only from the positions Syria has taken to ease tensions between Iran and the Gulf states," Mr. Salman said, adding that Syria's official media would continue to observe the moratorium on propaganda attacks against Iraq.

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Although Mr. Salman adheres closely to his government's official line in explaining Syria's position in the Gulf war, he sought to avoid directly attacking Iraq. The Syrians have agreed to a moratorium on propaganda attacks, but in January Iraq broke the accord, accusing Damascus of "treacherous" attempts to divide the Arab states that lend financial support to Iraq's war effort.

Since the Amman summit meeting, Syria has maintained its close strategic alliance with Iran, despite having acquiesced to an Arab League condemnation of Iran for rejecting the UN cease-fire resolution.

Mr. Salman said no Arab leader had called on Syria to sever its relations with Tehran. "How can they ask us to mediate and at the same time ask us to cut relations?"

Even so, Arab leaders at the November summit meeting worked strenuously to end the longstanding estrangement between Mr. Assad and President Saddam Hussein of Iraq, who have been bitter foes for nearly a decade.

King Hussein of Jordan announced at the end of the summit meeting that Mr. Assad and the Iraqi president had agreed to a rapprochement. But in an interview in Baghdad last month, the Iraqi information minister, Latif Nassir Jassim, said, "There is no rapprochement between us, in the past or in the present. Iraq cannot mediate with this regime at any time because it has stabbed Iraq in the back with its deception and lying."

Mr. Salman's tone, however, was less confrontational. "The worsening relations between Syria and Iraq result only from the positions Syria has taken to ease tensions between Iran and the Gulf states," Mr. Salman said, adding that Syria's official media would continue to observe the moratorium on propaganda attacks against Iraq.

## ISRAEL: 6 Dead in Bus Hijacking

**(Continued from Page 1)**

throwing hand grenades at Israeli vehicles until they halted and boarded the bus.

**Clashes in Territories**

Israeli soldiers wounded at least 12 Palestinians in the occupied territories, and the army said Arab rioters hurled a hand grenade at the troops. The Associated Press reported.

**British Miners Call Off 5-Month Overtime Ban**

**LONDON** — The National Union of Miners has voted to end a five-month overtime ban in a blow to the militant leadership of Arthur Scargill, who was narrowly re-elected in January as the union president.

More than half of the 90,000 members voted to end the ban, which was begun in September to protest a new disciplinary code introduced by British Coal. It was announced Sunday, Mr. Scargill had wanted to continue the ban.

It was the first use of a grenade since Arab riots began Dec. 8. The first army report of Arab gunfire in a demonstration occurred Sunday in the Askar refugee camp near Nabulus. No soldiers were injured.

Another specialist on Soviet military affairs, "but quite another to translate that into reality. It is bound to stir debate at the technical level of the Soviet military and political hierarchy."

There are already signs of disagreement between Soviet civilians and the military over the meaning of the change, particularly on the question of how much defense is enough. Soviet theoreticians use the phrase "reasonable sufficiency," while the military favors the term "defense sufficiency," which allows them more flexibility in determining force levels.

A retired lieutenant general, Mikhail Millstein, of the Soviet Institute of U.S.A. and Canada Studies, recently defined reasonable sufficiency as "possession of a military potential that, on one hand, would be enough to safeguard the security of one's own country and, on the other, not enough to give effect to offensive plans, especially to surprise attacks."

Robert Legvold, of the W. Averell Harriman Institute at Columbia University, quotes the chief of the Soviet General Staff, Marshal Sergei F. Akhromeyev, as being more ambiguous, saying that sufficiency is having forces, both in quantity and quality, commensurate with "the level of military threat."

If the Soviet Union matches its rhetoric with a defensive reorientation of its armed forces, military experts believe it will provide a major opportunity to make reductions in NATO and Warsaw Pact ground and air forces.

In the past, Soviet national security planning was based upon the need to defeat NATO in the event of war. Soviet specialists say the Soviet political and military leadership has now concluded that the danger of escalation to a nuclear exchange makes war between East and West unthinkable. Their new doctrine is therefore aimed at defensively structuring military forces sufficient to deter war.

Experts give Mr. Gorbachev credit for sparking the change. Andrew C. Goldberg, of the Center for Strategic and International Studies in Washington, said Mr. Gorbachev created the "critical mass" to allow the new thinking to surface. But much of the thinking that led to the new doctrine has taken place over most of a decade.

**Waldheim Denies Any Guilt In Killings of Commandos**

**LONDON** — President Kurt Waldheim of Austria said in a British television interview on Sunday that he knew about the interrogation of Allied commandos who were later executed by the German Army but denied any personal guilt.

"There were some people of course in the staff which did interrogations," Mr. Waldheim said in the interview, on independent Channel Four television station, "but this was not done by me but by some of my colleagues who were working in the same department, but I was not personally involved in this."

Mr. Waldheim, who is under increasing pressure to resign because of controversy over events during his service with the German Army in World War II, answered general questions about his role as an intelligence officer.

Asked if he knew that the commandos, six of whom were British, were being sent on for "special treatment," which in most cases meant death or torture, Mr. Waldheim said that in such cases a general order from Hitler to all army units applied.

Pressed on whether he knew that the commandos would be sent to special units but did not do anything personally, Mr. Waldheim, who was interviewed in Vienna, said: "Yes, that is a correct statement. And again I find it somewhat surprising that knowledge of certain things during the war should constitute guilt."

This compromise, including the front-loaded schedule, appeared to meet major demands of the Reagan administration, which has been the indirect talks taking place through the UN mediator, Diego Cordovez.

Mr. Gorbachev said the troops would withdraw over 10 months. Pakistan had been insisting on an eight-month withdrawal. Mr. Cordovez said Friday that Pakistan and Afghanistan had agreed on nine months, with half the Soviet contingent to leave within the first 90 days.

This compromise, including the front-loaded schedule, appeared to meet major demands of the Reagan administration, which has been

supporting Pakistan and the Pakistan-based Afghan rebel groups. General Zia's government, however, has been concerned by the possibility of further turmoil and bloodshed in Afghanistan after the departure of the 115,000 or so Soviet troops.

This would discourage the return of three million Afghan refugees who have sought shelter in Pakistan. The refugees have moved into 360 camps near the border during an eight-year-long war by U.S.-backed guerrillas fighting to overthrow the Communist government in Kabul.

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## ARTS / LEISURE

A More Sober Look,  
With Some Fantasy

By Bernadine Morris

New York Times Service

MILAN—Forget about child-like, playful, giddy. Those were last season's fashion words. The new clothes are grown-up, sophisticated, sober. That was the message from leading Italian designers as the fall/winter showings began over the weekend. What they mean is that not every skirt stops a hand span above the knees as it did last season, pants are having an intense comeback, and colors are on the quiet side.

Still, like most fashion messages, it only tells part of the story. Women who loved their minis will have

## MILAN FASHION

no trouble finding new ones. While long, narrow skirts are indeed sophisticated, there are plenty of young, bouffant styles. There is even a new crop of vibrantly colored flower prints.

The freshest collection so far was that of Mariuccia Mandelli for Krizia. She makes a pantsuit look soft and gentle, using unconstructed jackets and trousers that fit smoothly across the hips, widening toward the ankles. She tried the new knee-and-below-the-knee length in dresses and skirts. Muted grays and earth colors were sharpened with turquoise or purple accents. For women who want to show more leg, she suggested leather Bermuda shorts, and for those who like bright colors there were hot pink, purple or red coats over quiet knitted dresses.

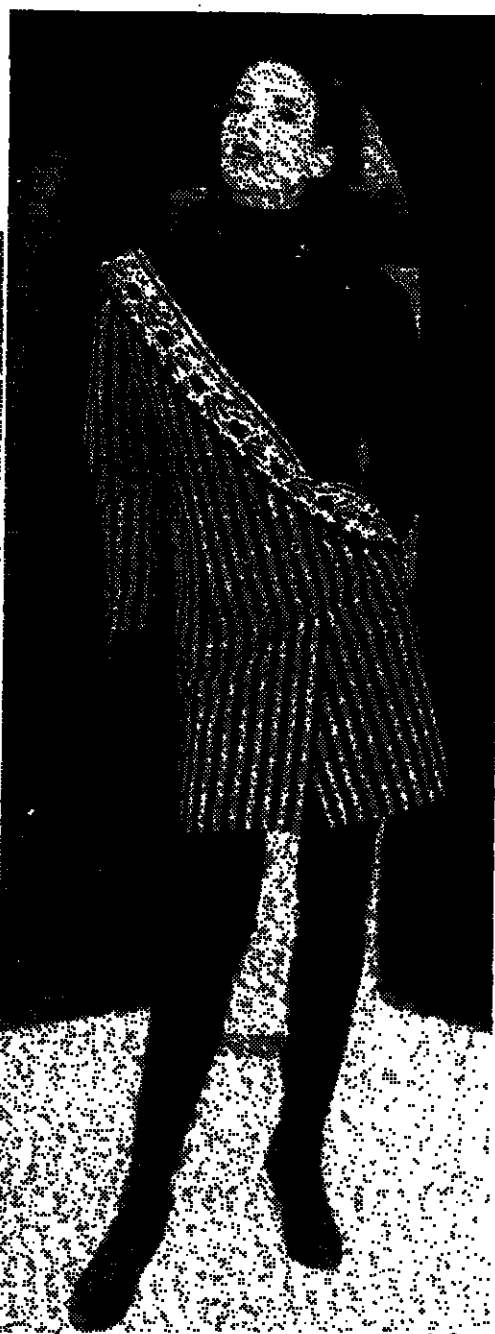
She managed to make the day clothes look lively and relaxed without going haywire. Brocade jackets with velvet pants and white silk blouses carry the easy look into evening. But fantasy is not out of place at night. Short rounded marabou skirts with strapless bodices or pucker satin skirts the same shape were all in pink. Mandelli provided a neat balance between wearable and inventive clothes to show Italian fashion at its best.

Nobody ever called Gianni Versace's designs understated, but this time they are more complicated than usual. Among his many pantsuits, almost always black, there are styles with short or long tight skirts layered over the pants. One suit has a single trouser leg; the other leg is covered by a skirt-like panel that floats over shorts. Narrow pants are tucked into over-the-knee boots, which the designer calls the accessory of the season.

Black leather is an important revival for day. It never looks tough, even when a fur-collared leather



Red frilled cocktail dress by Krizia; stripes, long boots from Versace.



Joe Dancy

trench coat tops a fitted leather jacket and black wool pants.

A surprise for evening is long black dresses split at the back to show snug chiffon trousers. The chiffon pants are elaborately embroidered with rhinestones at the ankles. It is certainly a different way to dress at night, best when the dress itself is simple.

Many different moods were established by designers presenting clothes in their own showrooms rather than in the high-tech spaces of the Milan Fair. The jacket is the key to the clothes at Emporio Armani, the less expensive, more casual label of Giorgio Armani, but after that anything goes. The jackets are accompanied by long pants, shorts, short skirts or knickers. It was familiar Armani, except for the

furs. Snow leopard, ocelot, carved beaver and even sable turned up in capes, jackets and coats. The realistic-looking furs were fake, but people who reached over to touch them found they felt just like fur.

Romeo Gigli's models do not look quite as dreamy and ethereal as they used to, but their clothes

haven't changed that much. Long sweaters fall from narrow shoulders to wrap under the hips. Saug jersey blouses wrap around the body, and jackets have softly folded collars. Tapered collars, cowls and off-the-shoulder necklines abound as the designer pursues his poetic look.

## L'Ambroisie in Paris Wins Third Star

International Herald Tribune

PARIS—The 1988 Guide Michelin for France awarded its highest rating of three stars to the Paris restaurant L'Ambroisie and its owner-chef Bernard Pacaud.

Pacaud, 41, opened L'Ambroisie in 1981 as a nine-table restaurant on the Left Bank quai, where his simple, modern cuisine earned two Michelin stars. In December 1986, Pacaud moved the restaurant to the Place des Vosges, where the two dining rooms of this elegant restaurant seat 38 guests.

## Pat Metheny: 'Just Instrumental'

By Mike Zwerin

International Herald Tribune

PARIS—Five years ago Pat Metheny told me one reason he spends 10 months a year on the road is because he sees his group as "kind of a reporter, a reflection of a branch of our generation."

Last week, after playing to a sold-out house of 5,000 at the Zenith, he said: "That statement sounds funny to me now. At the time we were probably closer to the mainstream. Either we've moved or the mainstream has moved, probably the latter. I hear more extremes in both pop and jazz now. I cannot relate to most of it, I hear a lot more music I don't like now. Five years ago there were at least eight groups packing halls this size playing our kind of — let's just call it instrumental music. Now there are only two, Miles Davis and us."

During the last year, the Pat Metheny Group has appeared in South America, Japan, just about everywhere in the United States and all across Europe including the Soviet Union. A Polish critic described their music as "magic, a river, poetry, mystery, a lofty hymn, a fulfilled promise, a continuous eruption of what is known and unknown, a garden of imagination. Its beauty flows down on us like a blessing."

There are Western critics who might consider that some kind of Polish joke. This "blessing" has also been called electronic pop, commercial sellout and jazz. Metheny confuses, and confuses, purists because, unlike Miles Davis, he still plays some of the best straight-ahead jazz of the day when he wants to. He records and plays concerts with undisputed jazz heroes like Jack DeJohnette, Charlie Haden and Billy Higgins. Nobody can deny that Metheny is at the top of his trade, but he makes it hard to define exactly what that trade is.

However his 1986 album "Song X" with the equally undefinable Ornette Coleman made most critics' 10-best lists. "When I started



Crisian Rose

Pat Metheny on stage: "I hear a lot more music I don't like now."

rehearsing with Pat," Coleman told Down Beat magazine, "I was playing whatever I am playing with my band. There was not one time when I ever felt inhibited or limited."

Metheny spends half an hour after concerts signing autographs and having his picture taken with fans, he has made all the right career and publicity moves and gives the impression that he genuinely enjoys them and did not work to learn them.

Now 33, Metheny played bebop around Kansas City (he was born at nearby Lee's Summit, Missouri)

had a big effect on me. I feel funny around jazz musicians of my generation who pretend they never heard a word of rock. It makes me suspect they are dishonest. I think it's important to use all your influences. Style is irrelevant, it's a matter of playing the right thing for the moment."

When the group played 13 concerts in Moscow, Leningrad and Kiev last June, "the Russian people knew it was an American pop-style group and that was enough for them. It was an amazing experience on every level. I don't remember ever having so much fun. We'd play for 10,000 people and after the gig about 3,000 would be there wanting to give us records, tapes, books, original artwork, cake, their clothes or take us home for dinner. But the most exciting part was the concerts. We tend to forget that those people have about the heaviest musical tradition on earth. They are brought up hearing this dense intense music. You could feel that level of insight as they listened. For an improvising musician, it's totally inspiring. And in terms of the 'intrigue factor,' we did anything and went anywhere we wanted. It was almost disappointing."

The Pat Metheny Group features the multikeyboard work of Lyle Mays, and is heavy on electronic hardware in general. Even when playing the blues or bebop, Metheny uses reverbs, delays and a guitar synthesizer. "We are in a transitional period," he says, "all these new devices are still being refined, manufacturers are only beginning to address dynamics on anywhere near a usable level. There are so many options now. Everything is available at the same time. It's a tough time to be a musician and it's going to get tougher. But it's also a very exciting time to be a musician."

Pat Metheny: Rome, March 8-9; Udine, March 10; Milan, March 11; Naples, March 12; Israel, March 16-21.

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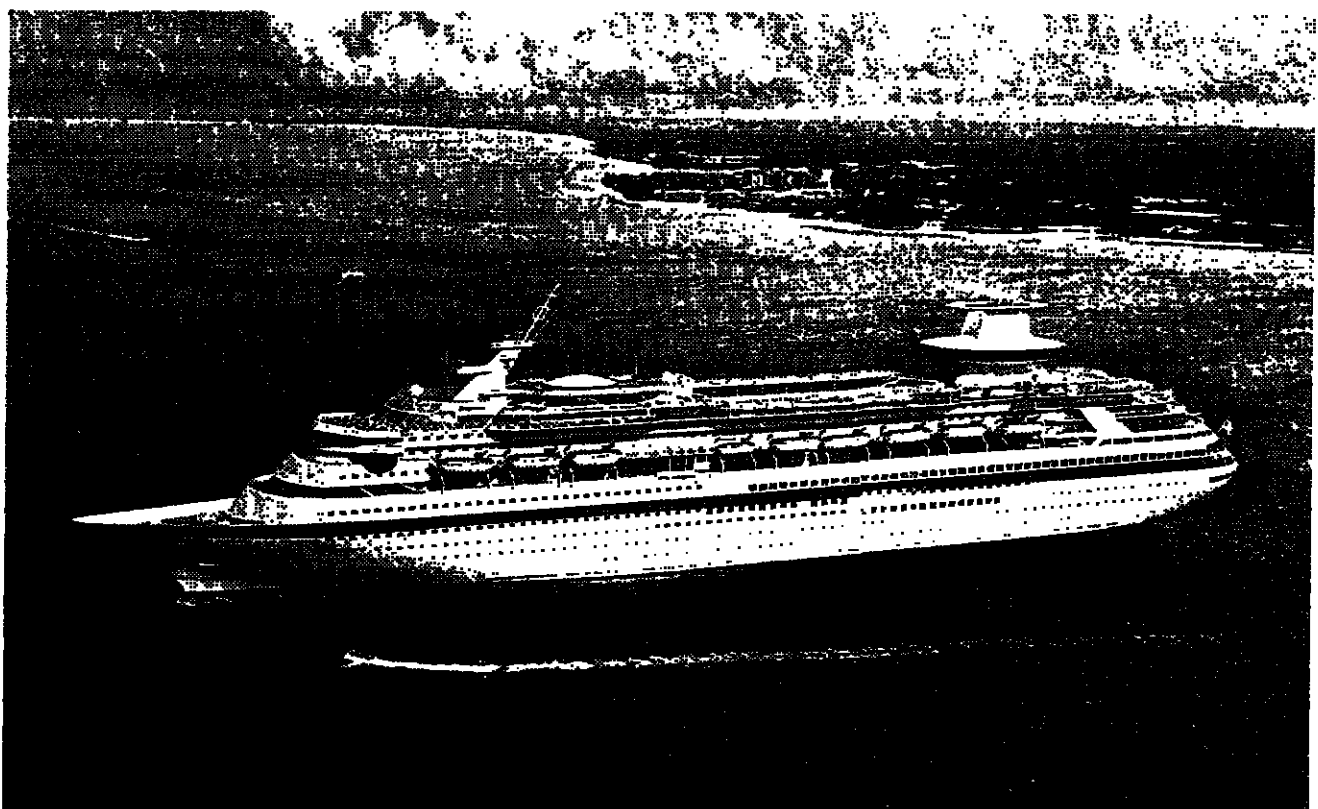
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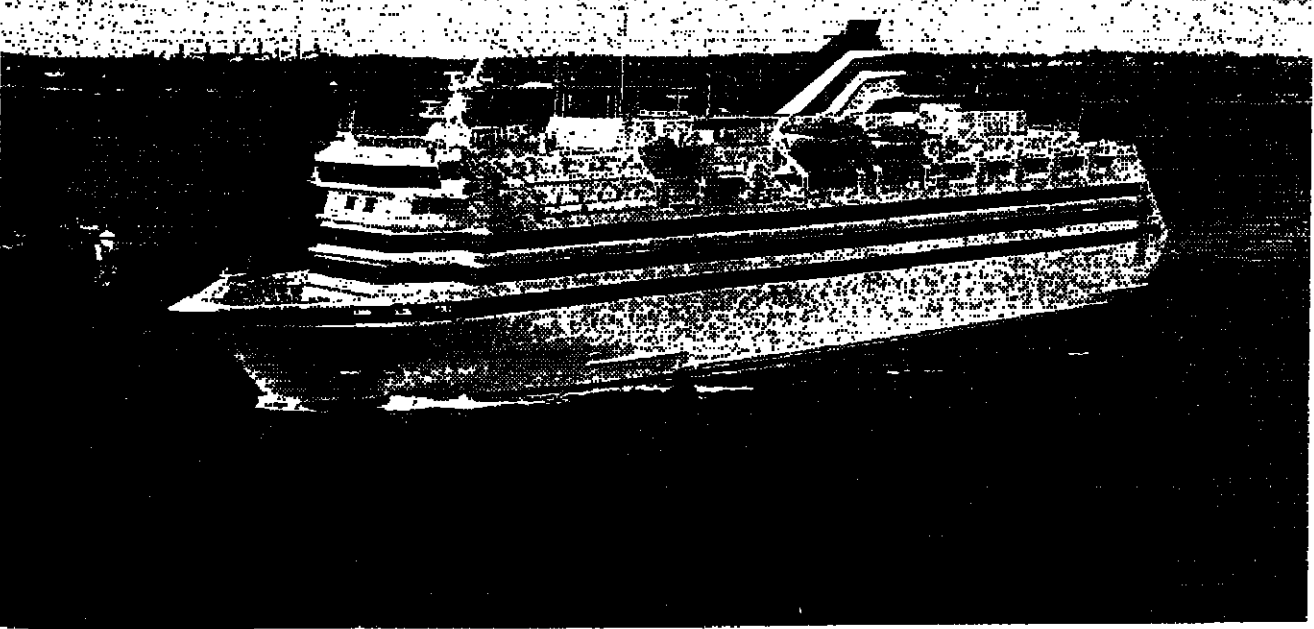
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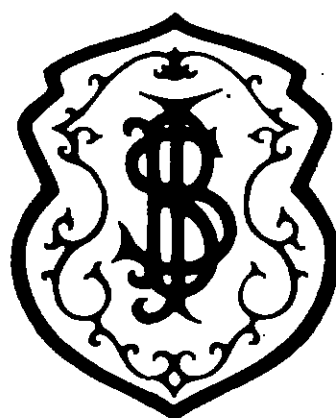
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مكتبة المجلد







NYSE Most Actives					Market Sales					NYSE Index					Monday's NYSE Closing					AMEX Diary					NASDAQ Index					AMEX Most Actives				
Vol.	High	Low	Last	Chg.	NYSE 4 a.m. volume	NYSE prev. close	NYSE 4 p.m. volume	NYSE prev. close	NYSE 4 p.m. volume	High	Low	Last	Chg.	Commodity	Close	Prev.	AMEX	Close	Prev.	Advanced	Declined	Total Issues	New High	New Low	Composite	Close	Prev.	Week	Year	Vol.	High	Low	Last	Chg.
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Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	
Vol	11244	45 1/2	44 1/2	+ 3/4	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	1							

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month	High	Low	Stock	Div.	Yld.	PE	St.	100	High	Low	Close	Chg.
A												
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
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25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+
25%	14	AAR	26	16	28	89	17	220	21%	22%	+	+

## NYSE Closes Narrowly Mixed

**United Press International**  
**NEW YORK** — Prices on the New York Stock Exchange closed mixed Monday in moderate trading after a late round of buying failed to overcome earlier losses in the blue chips.  
 The Dow Jones industrial average, which rose 34.65 last week, fell 1.49 to close at 2,056.37. The Dow had been down more than 12 points at mid-afternoon.  
 Advances led declines by an 8-7 ratio. Volume was 153 million shares, down from the 201.4 million shares traded Friday.  
 Broad-market indexes gained slightly. The NYSE composite index rose 0.10 to 150.53. Standard & Poor's 500-stock index rose 0.08 to 267.38. The price of an average share added 2 cents.  
 "We have a classic tug-of-war going on here," said Nelson Gary, vice president of block trading at Robinson-Humphrey Co. in Atlanta. "Half of the people think we are building a platform for a move up. The other half thinks the market is making a top. The opinion is split right down the middle."  
 Mr. Gary said there was not a lot of buying from domestic institutions. "But there is no real interest in selling either, with their cash levels near the high end," he said. "The two camps are evenly split."  
 The market "is dominated by the buying in rumor stocks and lower-priced issues," said Trude Latimer of Josephthal & Co. "The rumor stocks are very aggressive and the lack of downside pressure is also encouraging."  
 Ms. Latimer said she could not "imagine any

serious pullback" even though some consolidation could "keep the market from exploding" on the upside.  
 "There is definitely no real selling pressure," Ms. Latimer said. "This type of action is very fine."  
 Firestone Tire & Rubber Co. was the most active issue, up 13 1/2 to 63 1/2. Pirelli SpA, the Italian tire maker, announced its intention of making a \$56-a-share takeover bid for Firestone in an attempt to head off a joint venture between the parent tiremaker and Bridgestone Corp. of Tokyo.  
 Allegheny Power System followed, down 1/4 to 39 1/4.  
 Varsity Corp. was third, unchanged at 3 1/4. AT&T was off 1/4 to 28 1/2. IBM was up 1/4 to 117 1/4.  
 Among other blue chips, General Motors was up 1/4 to 72. Ford Motor was unchanged at 46. USX was off 1/4 to 33 1/4. Eastman Kodak was up 1/4 to 43 1/4 and Merck was off 1/4 to 16 1/4.  
 General Electric was off 1/4 to 43 1/4. The company launched a surprise \$400 million-plus offer for Roper Corp., which late last month agreed to be acquired by Whirlpool Corp. Roper was up 1 1/4 to 48 1/4 and Whirlpool was off 1/4 to 28 1/4.  
 Prices were slightly higher in active trading on the American Stock Exchange.  
 The Amex market value index rose 0.40 to 294.14. The average price of a share gained 2 cents. Advances led declines by a 10-9 ratio. Volume was 14.9 million shares, down from 15.1 million Friday.

12 Month	High	Low	Stock	Div.	Yld.	PE	St.	100	High	Low	Close	Chg.
27%	100	72%	Bally	56	28	11	11	2184	35%	24%	184%	+
27%	100	72%	Bally	56	28	11	11	2184	35%	24%	184%	+
27%	100	72%	Bally	56	28	11	11	2184	35%	24%	184%	+
27%	100	72%	Bally	56	28	11	11	2184	35%	24%	184%	+
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27%	100	72%	Bally									

12 Month	High	Low	Stock	Div.	Yld.	PE	St.	100	High	Low	Close	Chg.
71 1/2	41 1/2	35 1/2	Comstock	1.00	5.00	10	107	111	51	21	25 1/2	+
71 1/2	41 1/2	35 1/2	Comstock	1.00	5.00	10	107	111	51	21	25 1/2	+
71 1/2	41 1/2	35 1/2	Comstock	1.00	5.00	10	107	111	51	21	25 1/2	+
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12 Month	High	Low	Stock	Div.	Yld.	PE	St.	100	High	Low	Close	Chg.
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\*\* At these rates, you can get early morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Göteborg and Malmö.

Country	Currency	1 year	6 mos.	3 mos.
Austria	Sch.	4,800	2,400	1,400
Belgium	Bfr.	11,000	5,500	3,300
Denmark	Dkr.	2,500	1,250	750
Finland	Fmk.	1,700	850	500
France	Ffr.	1,500	750	450
Germany	Dm.	300	150	90
Great Britain	£	130	65	40
Greece	Dr.	22,000	11,000	6,600
Ireland	Ir£	150	75	45
Italy	Lira	30,000	15,000	9,000
Luxembourg	Lfr.	11,000	5,500	3,300
Netherlands	Fl.	600	300	180
Norway	Nkr.	1,800	900	540
Norway (incl. Vat.)	Nkr.	2,300	1,150	700
Portugal	Esc.	22,000	11,000	6,600
Spain	Ptas.	20,000	10,000	6,000
Sweden	Skr.	1,800	900	540
Sweden (incl. Vat.)	Skr.	2,300	1,150	700
Switzerland	Sfr.	210	105	63
Rest of Europe, North Africa, former French Africa, Middle East	Sfr.	430	215	129
Rest of Africa, Gulf States, Asia	\$	300	150	90

1988



## BUSINESS ROUNDUP

## De Benedetti Recruits Nestlé as Ally

Compiled by Our Staff From Dispatches

BRUSSELS — Nestlé SA of Switzerland has joined Carlo de Benedetti in his fight to gain control of Société Générale de Belgique SA, the Italian financier's French investment firm said Monday. The Dutch electronics maker Philips NV said it also was considering an invitation to support Mr. de Benedetti.

The announcement came as Mr. de Benedetti disclosed the identities of the international partners who are helping him in his bid for control of Générale, Belgium's biggest company.

Executives working for Mr. de Benedetti said they had the backing of Geneva-based Banque Financière de la Cité, FAI Insurance Ltd. of Australia and the New York investment group Odyssey Partners.

Cerus SA, the French investment firm through which Mr. de Benedetti is making his offer for Générale shares, said the alliance controlled 47.01 percent of the Belgium holding company's shares.

Belgium's Banking Commission required Mr. de Benedetti to identify his allies and the size of their Générale stakes as a condition for receiving approval to extend his tender offer for the Belgian company, which would have expired Friday.

A source close to Mr. de Benedetti said Monday that Nestlé and Philips combined owned 2.92 percent of Générale. The source said

the two companies were listed as "others" in the breakdown released by Cerus of shares claimed by Mr. de Benedetti and his allies.

Previously disclosed allies of Mr. de Benedetti include Gevaert NV of Belgium; Cobepa, the Belgium subsidiary of the French investment bank Paribas; Shearson Lehman Brothers, the New York investment bank; and Compagnie de Banque et d'Investissements, a Swiss investment bank.

Mr. de Benedetti is fighting an alliance of French and Belgian investors that claims a majority stake of 52 percent. The group is led by Belgium's biggest insurer, Group AG, and the French investment firm Compagnie Financière de Suez.

In Paris, Suez's chairman, Renaud de la Genière, said the rival group was prepared to negotiate with Mr. de Benedetti, but only if he dropped his aim of controlling the company.

Led by Cerus, the de Benedetti alliance has formed another holding company, Europe 1992, as a vehicle for accumulating Générale shares.

Nestlé and Philips were invited to join Europe 1992. Cerus, Gevaert, Cobepa, Shearson and CBI have placed Générale shares in the new holding company.

Europe 1992 refers to the deadline by which the European Community plans to lift trade barriers within the 12-nation bloc.

Wisse Dekker, Philips's supervi-

sory board chairman and former president, said Friday in an interview with the Rotterdam newspaper NRC Handelsblad: "A corporate raider eyes a company to buy it and sell it at a profit. De Benedetti is not a raider."

"Whatever the outcome of the Société Générale affair may be, the group will have a much more businesslike approach than before," Mr. Dekker said.

Cerus said that within the de Benedetti alliance, Europe 1992 held 15.9 percent of Générale's 28.2 million shares; CBI, 11.7 percent; Cerus, 9.02 percent; VFC and FAI each, 3.24 percent; Odyssey, 0.37 percent and others, 2.92 percent.

Cerus said this breakdown did not include the initial results of its bid for an additional 7 percent of Générale stock.

Share analysts said the entry of Nestlé and Philips into Europe 1992's capital would give Mr. de Benedetti a psychological boost.

Several said it was unclear what Nestlé hoped to gain.

Philips's interest was less surprising, but its scope for cooperation with Mr. de Benedetti also seemed extremely limited, they said.

They said Philips's entry might pose cartel problems since it is involved in a telecommunications joint venture with American Telephone & Telegraph Co. that directly competes with Alcatel NV, a telecommunications company in which Générale has a 5.2 percent stake.

(AP, Reuters, NYT)

## GE Launches

\$423 Million

## Bid for Roper

The Associated Press

FAIRFIELD, Connecticut — General Electric Co. said Monday it would launch a \$423 million cash tender offer for Roper Corp., a maker of lawn equipment and home appliances.

Roper, which is based in Georgia, signed a merger accord last month with Whirlpool Corp., a GE competitor in the major appliance field.

GE is offering \$45 a share for each of Roper's common shares outstanding. That tops Whirlpool's bid of \$37.50 a share, or \$352.5 million.

Roper refused to comment on GE's bid. Roper's shares soared \$11 to close at \$48.375 on the New York Stock Exchange while GE's slipped 75 cents to \$43.375.

GE said it made the offer after discovering in a Securities and Exchange Commission filing that Roper agreed to the Whirlpool merger under threat of a "unilateral takeover."

GE said it had held discussions with Roper management last year, when Roper officials said they wanted the company to remain independent. "Obviously, circumstances have changed," GE said.

## KHD Raises Loss Estimate

To 285 Million DM for 1987

Reuters

COLOGNE — Klockner-Humboldt-Deutz AG, the engineering and agricultural machinery group, said Monday it expected to report a parent company loss of around 285 million Deutsche marks (\$168.7 million) for 1987. The company had a net profit of 28.6 million DM in 1986.

KHD had already said in December that the 1987 loss would exceed 200 million DM, mainly as a result of payments to workers laid off under a restructuring plan.

KHD announced 6,000 job cuts worldwide in December. Its workforce fell to 16,686 at the end of 1987 from 18,940 at the end of 1986.

In 1987, group sales fell 8 percent to 4.4 billion DM from 4.8 billion DM in 1986, KHD said. Parent company sales were 3.2 billion DM in 1987.

Parent company income orders rose to 2.96 billion DM from 2.92 billion. Parent company orders in hand fell to 1.17 billion DM in 1987 from 1.40 billion.

KHD said it was able to maintain steady revenue from engine production in 1987 despite difficult market conditions at home and abroad. It gave no figures.

Domestic turnover of medium-sized and large motors rose 37 percent, mainly because of strong sales

by its subsidiary Motoren-Werke Mannheim AG.

In KHD's agricultural machinery sector, revenue fell 13 percent in 1987. A small increase in domestic sales of agricultural machinery was not enough to offset a significant drop in exports resulting in part from the strength of the dollar, KHD said.

Total incoming orders in that sector fell 3 percent in 1987, with domestic orders rising slightly and foreign orders falling sharply.

Revenue from KHD's industrial plant activities rose 9 percent in 1987, mainly because of the receipt of payment for a large cement plant in North Korea, the company said.

Incoming orders rose, despite the general trend of lower order volume in this sector.

Fixed-asset investment stood at 100 million DM in 1987 after 112 million DM in 1986 and write-downs fell to 105 million DM from 116 million. Investment of 78 million DM is planned for 1988.

KHD said it expected its results to improve in 1988. It predicted it would be able to report a positive result in 1989 as a result of its restructuring.

Group sales are expected to rise slightly to 4.5 billion DM in 1988. But parent company sales are expected to drop 9 percent to 2.9 billion DM, KHD said.

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## TRANS EUROPE FUND N.V.

## Amsterdam

The Supervisory Board and the Management of Trans Europe Fund N.V. have decided to pay a cash intermediate payment of FL 0.75 on the shares of the company. Being charged to the share premium reserve, this intermediate payment is exempt from withholding tax.

As only shares of the CF-type are outstanding, the shareholders as at 7 March 1988 will receive their intermediate payment of FL 0.75 per share with a nominal value of FL 25,— through the agency of the institution where the dividend coupon sheets to their shares were being kept on 4 March 1988 after unloading.

The payment will be made available as of 10 March 1988 at the branches of Algemene Bank Nederland N.V. and at Banque de Neufilze, Schlumberger, Mallet S.A. in Paris.

Amsterdam, 3 March 1988.

ABN de Neufilze International  
Investment Advisory Company B.V.  
(Managing Director).

## Big 3 German Banks Are Likely to Post Lower '87 Profits

Reuters

FRANKFURT — West Germany's three biggest banks, which will soon report their 1987 results, saw their earnings decline sharply last year, analysts said Monday.

But West German accounting rules will enable the banks to lessen the impact on net profit, and dividends will be unchanged, the analysts said. "1987 was a difficult year for the banks," said Jürgen Giese, a banking analyst at Citibank AG.

Deutsche Bank AG, the biggest of the three, is to report its net profit and dividend on March 28. Commerzbank AG and Dresdner Bank AG will follow in mid-April.

All three banks have said that partial operating profit fell in the first 10 months of 1987, so analysts expect a decline for the entire year.

Partial operating profit represents surpluses on interest and commission business, less operating costs. It excludes trading on a bank's own account and extraordinary items.

"We expect partial operating profit to be 5 to

7 percent below the previous year's level," said Mr. Giese, referring to the three banks combined. An analyst for a major German bank who asked not to be identified estimated that Commerzbank's group partial operating profit for 1987 would decline to 52 DM (\$30.78) per share from 55 DM in 1986.

He predicted a partial operating profit of 59 DM per share at Dresdner, down from 67 DM, and 70 DM at Deutsche, down from 115.

The 1986 per-share figure at Deutsche would have been 89 DM if the bank's sale and share flotation of core companies in the former GDR bank group had been excluded, the analyst said.

All analysts agreed that the three banks would not cut their payouts.

Deutsche Bank has said as much to dispel rumors that followed a halving of its parent bank operating profit to 66.1 million DM (\$394.3 million) in the first half of 1987. Its 12 DM dividend is expected to stand.

Commerzbank also has said it sees no reason

to change its 9 DM dividend, and analysts expect Dresdner to maintain its 10 DM payout.

"Net profits will be lower, and payments into disclosed reserves will also be a bit less," one analyst said.

Under West German accounting rules, banks can set profits earned from trading on their own accounts against risk provisions. Disclosed risk provisions therefore can greatly understate the actual amount of the provision, and the institution can funnel trading profits into hidden reserves.

The banks have noted an increase in business volume in 1987. But intense competition, falling interest rates and slack credit demand have all combined to squeeze interest margins, hitting the interest surplus that remains the most important element in partial operating profit.

Banks reported big increases in costs in the first half as they sought new areas of private and investment banking and hired more staff. They also invested heavily in new computers, in part to expand electronic banking services.

## PEARSON: A Spy Financial Times Focuses Growth Strategy on Europe

(Continued from first page)

opportunity for the Financial Times worldwide that its management has not done much to exploit," one News Corp. executive said.

Pearson, a conglomerate whose publishing interests include Penguin, Viking, and New American Library as well as a half-interest in The Economist magazine, has recently undertaken a flurry of acquisitions and new ventures. Pearson officials insist that their actions have nothing to do with Mr. Murdoch, but most analysts believe that his presence has unleashed a new aggressiveness at the company.

"The added incentive of having Murdoch's teeth in its backside has clearly had an effect on Pearson," said Derek Tetterton, an analyst at Phillips & Drew, a London brokerage. "And it's no bad thing."

Last month, Pearson bought Addison-Wesley Publishing Co., a Massachusetts-based publisher of student textbooks, for \$283 million. Pearson is trying to buy Les

Echos, a Paris financial daily, for \$150 million, though the French government has made efforts to block the sale.

The big British company is also negotiating to buy the Australian Financial Review, a daily business newspaper in Australia, from John Fairfax Ltd. And in December, Pearson joined forces with Toronto Sun Publishing Corp. and the Canadian publisher Conrad Black to turn the weekly Financial Post into Canada's first business daily. Pearson holds 25 percent of the joint venture.

But tampering with the flagship Financial Times is something the Pearson management fiercely resists. Mr. Murdoch's formula of rapid expansion, the newspaper's management says, is dangerously ambitious. "It would involve a lot of cost, a lot of risk, and probably mean drastically changing the character of the paper," Mr. Barlow said.

For his part, Mr. Barlow said, he does not believe in the concept of a

global financial newspaper. Instead, he sees each of the world's three major business dailies — The Wall Street Journal, the Financial Times, and Japan's Nihon Keizai Shimbun — contending to rely on the United States, Europe, and Japan, respectively. Each of the three, he says, will have an international presence, but it will be limited.

The FT's chief executive also shuns The Wall Street Journal's approach of publishing American, Asian, and European editions of the paper each day. "We don't want to be three different papers," he said.

Of the three major business dailies, the Financial Times is by far the smallest with a worldwide circulation of 307,000, compared with more than 2 million each for The Wall Street Journal and Nihon Keizai Shimbun.

The Financial Times has more than two-thirds of its circulation in Britain. Mr. Barlow believes the newspaper's natural center and greatest potential source of future

growth is Europe, especially as the European Community moves toward a unified market by 1992.

"The vast majority of our advertisers use the FT to reach a British and European audience," he explained. "To assume that we can sell ads in America to Americans, or in Japan to Japanese, is nuts. There are better vehicles for advertisers in their home markets."

To strengthen its European position, the paper will open a second continental printing plant in July in France. It has a plant in Frankfurt that opened in 1979. Within five years, Mr. Barlow hopes to double the Financial Times's continental European circulation to 100,000, from 50,000, and increase the paper's lead over the European edition of The Wall Street Journal, which has a circulation of roughly 39,000, including Britain.

In the United States, the Financial Times's circulation has increased to 20,000, from 6,000, since it began printing in New Jersey in 1985.

## How did your portfolio perform in the October crash?

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TO: Alun Evans, Grindlays Capel-Cure International Management Co. Ltd., PO Box 153 IHB, St. Julian's Court, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands. Please send me information and a prospectus for the Grindlays Capel-Cure International Fund.

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## REAL ESTATE

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## INTERNATIONAL CLASSIFIED

(Continued from Back Page)







Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

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"The board is pleased to report on another successful year for STC. The momentum of the business has continued strongly throughout 1987 and has resulted in record levels of turnover, profit and cash. We look forward with confidence to further growth in the coming year."

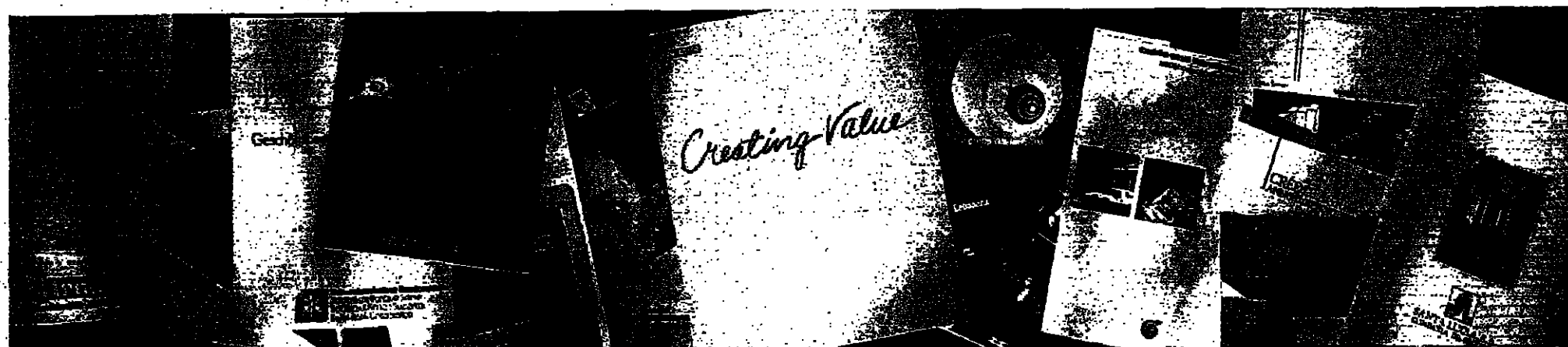
Preliminary Unaudited Results	1987 £ million	1986 £ million	Increase
Turnover	2,066.6	1,933.4	7%
Pre-tax profit	188.0	134.2	40%
Net cash	196.0	370	430%
Earnings per share	22.5p	15.9p	42%
Dividend	70p	4.5p	56%



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740

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## CURRENCY MARKETS

## Strong Pound Pushes Dollar Lower

Compiled by Our Staff From Dispatches

NEW YORK — An exceptional show of strength by the British pound pushed the dollar substantially lower Monday against major foreign currencies.

Earlier, the pound had shot up more than 4 pence to close in London above 3 Deutsche marks for the first time since September 1986.

Michael Guarino, a foreign exchange trader with Bear, Stearns & Co., said the dollar began falling in European trading after the Bank of England apparently decided to let the pound appreciate.

Since January, the central bank had kept the pound below an unofficial limit of 3 DM by selling pounds in the market.

The Bank of England reportedly intervened during the morning in Europe, but Mr. Guarino and other traders said they were uncertain why the bank apparently let the pound rise later in the day.

In New York, the pound soared more than 4 cents to close at \$1.8185, up from \$1.7745 at Friday's close. In London, the pound had also closed at \$1.8185, also against \$1.7745 Friday.

"The decision to let the pound break out of certain ranges put enormous downward pressure on

## London Dollar Rates

Currency	Mon.	Fri.
Deutsche mark	1.622	1.596
Pound sterling	1.818	1.774
Japanese yen	126.87	126.79
Swiss franc	1.328	1.305
French franc	5.675	5.726

Source: Reuters

other currencies, including the dollar," Mr. Guarino said.

In New York, the dollar also closed at 127.80 yen, down from 128.70 on Friday; at 1.6765 DM, down from 1.6895; at 1.3835 Swiss francs, down from 1.3985; and at 5.6755 French francs, down more than 4 cents from 5.7190.

In London, dealers said the difference between relatively high British interest rates and those of other industrial nations, notably West Germany, was spurring purchases of pounds.

"Just about everyone was trying to climb on the back of it today," one analyst with a British bank said of the often-hectic trading in the pound.

In London, the dollar closed at 1.6755 DM, down more than a penny from 1.6890 at Friday's close; at 128.07 yen, down from 128.70; at 1.3828 Swiss francs, down from 1.3995; and at 5.6735

French francs, down nearly 5 cents from 5.7205.

In the space of just an hour after 9 A.M., the pound had gained more than 3 pence and went on to notch up further gains during the afternoon.

The pound closed at 3.0458 DM, up from 2.9973 on Friday, after just failing to push through 3.05 marks for fear of renewed Bank of England intervention, dealers said.

Dealers said they doubted that official action caused the pound to retreat from the 3.05 DM level in the afternoon.

"We still haven't seen where the bank is really prepared to fight," said a British bank dealer.

He and other dealers said they expected operators to stage another assault on the 3.05 DM point early on Tuesday.

On its trade-weighted index, the pound closed Monday at 76.2 percent of its 1975 value, up from 74.8 at the opening.

Earlier in Europe, the dollar was fixed in Frankfurt at 1.6860 DM, down from 1.6990 on Friday, and at 5.7045 French francs, down from 5.7355.

In Zurich, the dollar closed at 1.3870 Swiss francs, down from 1.4018.

(UPI, Reuters)

## New Depths Are Predicted For the Dollar

Reversal

LONDON — The dollar will suffer renewed speculative

attack during the next three to six months, falling to record postwar lows near 150 Deutsche marks and 115 Japanese yen, according to Paul Chertkov, director of economics at Security Pacific Hoare Goyett.

The dollar will be driven down in the absence of new monetary or fiscal measures to dampen U.S. consumer demand and thus diminish the trade and current-account deficits.

Mr. Chertkov wrote in the March edition of the firm's "Currency Outlook."

But the currency will rebound ahead of the U.S. elections in November, he predicted, on expectations of more restrictive policies in 1989.

Testimony to the House Banking Committee last month by the chairman of the Federal Reserve, Alan Greenspan, "reinforces our view that the priority of monetary policy remains recession avoidance rather than dollar stability," Mr. Chertkov said.

Individuals, analysts note, must reinvest this money in other Belgian stocks to take advantage of investment tax incentives. Though it is not known how much of this amount already has been reinvested, "people only had to anticipate this response in order to push up prices on other stocks," Mr. Vermeulen said.

He estimates that more than half of the money poured into the market in the past two months was fresh investment unrelated to proceeds from sold Generali shares.

So where has the money gone? Much has gone into poorly performing Generali subsidiaries or holdings on speculation that "they would have quicker-than-expected turnarounds due to Mr. De-

betri stepping in," Mr. Vermeulen said.

This group includes FN, a weapons maker, which has jumped 82 percent since the start of the year; AECI, a maker of electronic equipment, up 57 percent; and the steelmaker Cockerill, also up 57 percent.

In another twist, some stocks in which Generali has minority holdings have risen as large shareholders attempted to bolster their stakes to defend themselves in the event Generali is taken over. Brokers say that Sofina, a holding company with energy interests that has jumped 57 percent since the beginning of the year, is a good example.

Perhaps most important in the Brussels market's rise is the speculative takeover fever unleashed by the Generali battle. "Our market has suddenly been injected with a mentality that Wall Street has had for many years — that a company can be bought," said Jean Peterbroeck, president of the Brussels exchange. "A lot of this new liquidity has been put into takeover targets."

Takeover rumors have been swirling recently around the retailer GB-Inno, which has jumped 56 percent since the end of the year,

## Kuwait Exchange Hopes to List Foreign Shares

Special to the Herald Tribune

KUWAIT — Kuwait, preparing for a long-promised modernization of its financial markets, is holding discussions with the London Stock Exchange on a plan to list foreign stocks on its bourse.

The move, which would be the first in the Middle East, would be accompanied by an ambitious program of privatization for state-run companies.

The manager of the Kuwait Stock Exchange, Hisham al-Otaibi, said Monday he expected an agreement to be reached with the London exchange during the summer, and listings of foreign stocks to begin by the end of the year.

"The principle has been agreed on," he said. "We are in the process of working out the details."

In an initial experimental stage, shares of British-registered companies that are wholly or mostly owned by Kuwaitis would be traded on the Kuwait exchange. These are mostly financial ventures, the most prominent of which is the London-based United Bank of Kuwait. British and international stocks, Mr. Otaibi said, would be introduced later.

He said that officials were aware of the risks in exposing the exchange to world financial markets that have not fully recovered from the October stock market collapse. "We have to be very careful," he said. "Any event anywhere in the world could affect us."

However, some analysts criticized the timing of the step. Zuhair Bader, chairman of a Kuwait investment company, International Financial Advisers, said that conditions in Kuwait did not favor the opening of new investment channels that would compete with locally-listed Kuwaiti and Gulf shares. Analysts estimate losses incurred by Kuwaiti private investors and government agencies in the October stock downturn to be more than \$5 billion.

"I believe efforts should concentrate on liquidating debts, while international markets recuperate," Mr. Bader said. He was referring to a process supervised by the Central Bank of Kuwait and supported by the government to reschedule banking debts that resulted from the 1982 crash of the unofficial Souk el-Manakh stock exchange.

The unregulated exchange, which specialized in non-Kuwaiti companies based in other Gulf states, collapsed almost overnight. Nearly \$1

billion was lost and 245 people went bankrupt. More than three-quarters of the debt restructuring has been completed, according to the central bank. Encouraged by this and by signs of a return of investor confidence, Mr. Otaibi said, the government is expected to announce soon that it will sell off companies that the government acquired after the crash of the Souk el-Manakh.

"We have not been notified of the exact date," he said, "but we expect the privatization process to take off soon, possibly before summer."

The market's reaction to Treasury bill and bond issues that were launched in November to ease Kuwait's budget deficit was reassuring, officials said. The issues were oversubscribed several times.

Mr. Bader said the stock exchange's performance had improved in 1987. The value of shares traded last year more than doubled to 829 million Kuwaiti dinars (\$3 billion) for Kuwaiti companies and 494 million dinars for Gulf companies.

A computerized system that will allow same-day clearance instead of the current five days will become operational within a month.

## London Market Says Chairman Moving to TSB

Reversal

LONDON — Sir Nicholas Goodison, chairman of the London Stock Exchange for 12 years, said on Monday that he would resign at the end of this year to head a British banking group.

The exchange said Sir Nicholas, 54, would join the board of TSB Group PLC in April and would become its chairman on Jan. 1, 1989.

He will succeed Sir John Read, 70, who is retiring.

Sir Nicholas steered the exchange through the sweeping reforms of the "Big Bang" deregulation, which in October 1986 opened the business of dealing in shares to banks and set off an era of fierce competition on the market.

He joined the family stock-broking firm, H.E. Goodison, in 1958, and became a member of the London Stock Exchange in 1962. He became chairman of the exchange in 1976.

## KOREA: As U.S. Vote on Trade Bill Nears, Seoul Is on the Firing Line

(Continued from Page 1)

are promoting a more inward-looking, mercantilistic economic strategy," the U.S. trade representative, Clayton K. Yeutter, warned. "The certain outcome of these policies would be heightened confrontation with the United States and others, and ultimately sanctions on Korean exports by someone, perhaps even the U.S."

South Korea's ambassador to Washington, Kim Kyung Won, said it was "not a surprise" that trade problems exist between the two countries because their trade relations are expanding. "The important point is to deal with them pragmatically, and not to politicize them unnecessarily," he added.

The trade difficulties with Korea have arisen as the Reagan administration tries to persuade Congress

to drop protectionist provisions of a trade bill that lawmakers are expected to vote on next month.

The hard line against South Korea helps the administration show Congress that it is a vigilant defender of U.S. interests, some analysts say.

"The United States is more frustrated now with Korea and wants to make its points to the new government," said C. Fred Bergsten, director of the Institute for International Economics, an economic research group in Washington. "But undoubtedly there is a domestic political connection to all this as well, as the administration tries to steer the trade bill."

The Reagan administration wants to demonstrate that existing tools can achieve market liberalization. It also wants to show that it

would be counterproductive to curb presidential authority with more rigorously mandated sanctions, as both the House- and Senate-approved trade bills now in conference would do.

Some of the new resentment against Korea has been captured in a campaign led by Representative Richard A. Gephardt of Missouri, a Democratic presidential candidate. He asserts that a \$10,000 Chrysler K car costs \$48,000 in Korea. The Gephardt figure is \$10,000 too high, according to a calculation made by the U.S. Embassy in Seoul. But the point that South Korea maintains high duties on imports is not challenged.

Although Seoul still has a long way to go toward liberalization, even critics of the Reagan administration's approach acknowledge

that there has been some progress in lowering barriers.

On automobiles, the import duties were 60 percent until last July, and practically no cars could enter. This month, duties will fall from 40 percent to 30 percent.

Many analysts think Seoul will continue liberalizing, but at no where near the pace demanded by the United States.

"They're simply not going to open their market wide overnight," said Philip D. Grieb, a professor of international trade at George Washington University.

For example, one of the problems in the beef sector is that Mr. Roh promised during his election campaign to protect small farmers. For him to go back on his word, Mr. Grieb said, would be a "political calamity."

## Monday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value.

It is updated twice a week.

Via The Associated Press

12 Month High Low 4 P.M. CHG

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